



United States Army

Morale, Welfare, and Recreation
Fiscal Year 2003 Annual Report



Preface

This is the 12th annual report of the Army's Morale, Welfare, and Recreation programs and related activities. This report reflects operating results for Fiscal Year 2003. Where appropriate for continuity and clarity, some program narratives in this summary may be continued into Fiscal Year 2004.

The report provides an overview of these programs to constituent commanders and customers who are the recipients of these services and from whom revenues are derived.

The nonappropriated fund financial data reported is compiled from audited and unaudited operating results of field operating and Headquarters NAF activities.

The U.S. Army Audit Agency and command Internal Review elements periodically test financial components of field NAF activities. Commercial auditors conduct annual audits of Headquarters nonappropriated funds.

The USACFSC also submits to independent commercial auditors who conduct annual audits of Headquarters nonappropriated funds using Generally Accepted Government Auditing Standards, which are more rigorous than commercial accounting standards. Those auditors concluded, for the year that data is completed, that the financial position of those funds and the results of operations and cash flow were in conformity with accounting principles generally accepted in the United States of America.



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U.S. Army Soldiers play football on a parking ramp in front of the terminal at Baghdad International Airport on May 6, 2003.
- U.S. Air Force photo by Staff Sgt. Matthew Hannen

Introduction

Combat is a succession of brief bursts of intense activity, followed by a period of waiting. During those periods of waiting, a commander's worst enemies in the ranks are boredom, homesickness, depression, fear and fatigue. To keep their edge and stave off those unseen enemies, Soldiers do everything from reading to playing video games, from sports and weight training to karaoke. More often than not, there are recreation specialists to organize and conduct those programs, depending on the situation and the commander's needs.

During the Revolutionary War, Soldiers sang, gambled, raced horses, presented skits, and played practical jokes while in camp. During the Civil War, Soldiers carved pipes from briar-root and chessmen from pine. They played baseball, boxed, held foot races, and enjoyed performances by minstrels and comedians.

During World War 1, President Woodrow Wilson recognized the need for troop morale services. In 1918, presidential appointee Dr. Raymond Fosdick reported on the low morale and poor conditions plaguing the American Expeditionary Forces. Reporting to Newton D. Baker, Secretary of War, Fosdick wrote "...the Army of America is an Army of independent young Americans full of initiative and imagination, who joined the service not because of any predilection for soldiering, but because they believed enough in the ideal for which we entered the war to fight for it." Later that year, Fosdick wrote, "Morale is as important as ammunition and is just as legitimate a charge against the public treasury."

Thus, the Morale Branch was established in 1919 with Fosdick named as director of the Commission on Training Camp Activities. The Commission's purpose was to provide facilities and means for entertainment, recreation and education of the thousands of citizen Soldiers undergoing training in camps across the United States. Private organizations such as the Salvation Army, the Knights of Columbus, the Young Women's Christian Association, and the American Red Cross rushed in to fill the need. Music played an important role in keeping up the spirits of the troops, starting with the fife and drum corps in the 1700s. Two hundred years later, an Army infantry sergeant named Israel Baline, stationed at New York's Camp Upton, Yaphank, Long Island, organized a Soldier show he called Yip, Yip Yaphank. That Soldier would become famous as Irving Berlin, a composer who left the Army and the nation a musical legacy and tradition still in place today.

On the World War I battlefields and behind the lines, Salvation Army sisters and Red Cross volunteers ministered to the needs of Soldiers as the forerunners of today's morale, welfare, and recreation specialists. After the war was over, funding stopped and morale programs were mothballed.

In 1940 the Morale Division was renamed Special Services and placed with the Adjutant General. In 1941, President Roosevelt instructed the War Department to employ 100 Army hostesses—some for duty in the Caribbean and Europe—to staff allied leave centers. Between 1946 and 1955, core recreation programs were established and staffed by a combination of active duty military and civilians: service clubs (recreation centers), arts and crafts, music and theater, libraries, and sports.

When U.S. troops went into Korea, Army service clubs staffed by young women operated in combat zones for the first time, taking over the Red Cross coffee and donut operations. Soldiers and civilians assigned to Army Entertainment worked with the USO to produce numerous celebrity touring shows.



When America became involved with the Vietnam conflict, Special Services hired several hundred college graduates—men and women—to staff recreational facilities and programs. With 52 service clubs in Vietnam, there were also libraries, crafts shops, and gymnasiums. Staff traveled by helicopter to deliver programs to areas of large troop concentration. Mobile services and programs were conducted on a large scale. In isolated areas, Army Special Services sent in thousands of book, game, and craft kits.

Until the mid 1980s, active duty Soldiers held military occupational specialties in Special Services. As those specialties were discontinued, civilians continued to operate MWR programs with military oversight. Special Services underwent many reorganizations and names before its present configuration as morale, welfare, and recreation.

Each branch of service has its own MWR operations, and we copy freely from each other. More and more, we look for ways to operate more efficiently by partnering and consolidating our efforts.

Department of Defense officials and members of Congress recognize the importance of these programs to the quality of life of our armed forces and as a necessary element of stability and retention. In prisoner of war stories from the Vietnam era, survivors recount how they played chess, created imaginary baseball teams, recited Shakespeare, and called up memories of camping or other family recreation activities to keep them going while in solitary confinement. The mission of MWR is to help create those memories that keep Soldiers' hopes alive. Regardless of the technology, the advanced weaponry, the sophisticated computers or the real-time communications, individual Soldiers' minds and hearts are at the controls.

We who work in morale, welfare and recreation are proud to say our programs touch the minds and hearts of the Army as it goes about the daily business of national defense.

Hooah! ...from the Headquarters

As we begin a new year, we need to take stock of whether we accomplished our goals for last year. Looking at what Army Morale, Welfare, and Recreation programs accomplished in 2003, I can only say, "Hooah, what a great year!" MWR made a difference—an important, tangible difference—on behalf of Soldiers, Department of the Army civilians, retirees, and family members. MWR continues to play a vital role in support of our Army at war.

First and foremost, our thoughts focus on our GREAT Soldiers serving across the oceans and far from home. No matter what their deployed location or mission, first class support to the deployed Soldier serving on the perimeter of democracy is our number one priority. We make every effort to match our support to their needs.

Deployed Soldiers rate their top MWR priorities as the ability to communicate with family and friends, visual entertainment (books, electronic games, live performances, and movies), and access to physical fitness equipment. In FY03, the Army purchased and delivered \$13.5M worth of MWR equipment, supplies, and services for OIF/OEF Soldiers and civilians. Soldiers in Iraq, Afghanistan, and the Balkans have access to internet Cafés offering free access to email, distance learning, and the internet. Fitness and recreation facilities are in place at 42 sites in Iraq, eight in Afghanistan, and at each major troop location in the Balkans. Each month, 800 paperback book kits are delivered to OIF/OEF units, in addition to audio books, magazine subscriptions, music CDs, and the Army Times. MWR supports Soldiers when they most need it.

On the home front, dedicated MWR professionals ensured families had the information and support they needed. Army Community Service helped establish Family Assistance Centers; conducted pre-deployment briefings and training for Rear Detachments, Family Readiness Group leaders, and Family Assistance Team members; coordinated community support from key support agencies such as chaplains, Army Emergency Relief, and TRICARE; managed volunteer networks; and provided installation-wide homecoming, reunion, and counseling services.

Child and Youth Services adjusted child care programs and extended the hours of family child care homes and long-term care homes. In the future, installations will serve as a central hub for program delivery. Whether through the services delivered at installation facilities or through Army-sponsored partnerships with local communities, families will receive complete deployment cycle child care support, to include respite care, extended hours care, child care during Family Readiness Group meetings, and increased access to youth outreach services such as field trips, camps, and youth support networks.

When the Army started a rest and recuperation leave program for OEF/OIF Soldiers, MWR was on the front lines of support. I'm especially proud of CFSC staff members who volunteered for duty in SWA to "make it happen." We worked with airlines to secure reduced ticket prices for Soldiers, sent a team to Kuwait to set up a ticketing office, and helped secure hotel rooms for Soldiers waiting to return to Iraq or Afghanistan so they wouldn't have to spend their last night in the U.S. sleeping in an airport terminal. For each service member arriving in Frankfurt, Germany, on the initial R&R flight, an Armed Forces Recreation Center-Europe representative greeted and briefed them on discounted vacation options at the Von Steuben Hotel. MWR ensured these Soldiers got the respite they deserved.

A special edition of *Feedback* focused on family readiness as a resource for commanders and families. The issue covered how to talk with media representatives without compromising operational security, guidelines for public gifts and donations, and helping businesses help Soldiers and families.

This past year also marked the 20th anniversary of the Army Family Action Plan program. The Vice Chief of Staff, Army, Gen. George W. Casey Jr., attended and led his first DA-level AFAP conference and directed CFSC to develop a "multi-component Army Family Support Network" to assist all active and reserve component families.

MWR delivered more than 60 NAF construction and renovation projects in 2003, and the Army Lodging "Wellness" program became a reality when construction commenced on four new lodges, including the 366 -room flagship at Fort Eustis, Va.

Our AFRCs made headlines in 2003. The Shades of Green® on WALT DISNEY WORLD® Resort expansion was nearing completion as 2003 drew to a close and will open in March 2004. Construction of the new AFRC-Europe hotel—the Edelweiss Lodge and Resort—was 75 percent complete by the end of the year and will soon begin taking reservations for a Fall 2004 opening.

MWR during contingencies and wartime operations is mission-essential to maintain physical fitness and alleviate combat stress. We've worked hard the last few years to ensure that Commanders plan for MWR requirements in peacetime and that those requirements are a priority during mobilization/deployment. The fruits of those labors began to be realized in 2003.

MWR won't be slowing down in 2004. Our Soldiers are entitled to the same quality of life as is afforded the society they are sworn to defend. This is our message—this is the covenant we have with our Soldiers, with their families, with our DA civilians, with our retirees, and with the American people themselves who stand behind each Soldier. This philosophy is the core of what we do and why we do it.

I want to thank all of our MWR professionals and our supporters for helping make possible the many successes our Soldiers and families enjoyed in 2003. This is incredibly important work. I know that through your dedicated efforts, 2004 will be full of promise and achievement. I am proud and honored to serve in your ranks.



Robert L. Decker

Robert L. Decker
Brigadier General, U.S. Army
Commander
U.S. Army Community and Family Support Center



Executive Summary

"Soldiers...the epitome of our American character. They voluntarily risk everything that is dear to them in defense of the Nation in faraway places...."

Our Soldiers, civilians, and their families set the standard every day for selfless service."

- General Peter J. Schoomaker, Chief of Staff, Army



Pfc. Nick Esenwick, Company E, 782nd Logistical Task Force, 82nd Airborne Division, lays rocks down in the form of an American flag at Camp Champion, Kuwait. Esenwick, who is deployed in support of Operation Enduring Freedom, was inspired by his company commander to construct the mural in front of his tent.

- Photo by Spc. Andrew Kosterman, 49th Public Affairs Detachment (Airborne)

Congressional Support

While Congressional support for MWR programs remains strong, there have been recent changes in the source of support. Senate oversight of MWR programs still resides with the Personnel Subcommittee of the Senate Armed Services Committee, but MWR support from the House of Representatives has a new home. The dawn of the 108th Congress accompanied a restructuring of the House Armed Services Committee which included dissolution of the MWR Panel. MWR oversight in the House is now the purview of the newly formed Total Force Subcommittee of the HASC.

Congressman John McHugh, Chairman of the Total Force Subcommittee, addressed this issue in the first 2003 Subcommittee hearing:

"I also want to say to the MWR community, when the restructuring that we effected in the full committee occurred, there was understandably a great deal of concern about the restructuring of the MWR panel, of which I had the honor of serving as chairman before.... I want to assure the community today that in no way was that intended to be a slight to the community; rather, we felt that the restructuring would allow us to focus on this in a context which is so important, and hopefully it would not become lost in our efforts, our necessary efforts, to look at the entire personnel picture.

"I have come to believe very strongly that those who criticize exchanges, commissaries and MWR programs and view them as merely an additional form of compensation...simply do not understand the very unique and very important military culture. In my view, these programs occupy a critically important position in the fabric of life in the military. These programs are the adhesive that bonds the military community together....I am committed to the methodical examination of any proposal for the potential to disrupt the current status of these programs.

"The rumor mill is awash with the talk of proposals to restructure, privatize and to somehow cut these programs. To a large extent, these proposals center on simply the need to save money. And let me say clearly that I believe it would be a terrible mistake, a tragic mistake to disrupt these programs merely to save a few dollars. Money is important, I understand that, I recognize it, but the priority consideration for these programs must be service to that military community. There is far too much at stake to allow decisions on these programs to be driven solely by fiscal and financial calculation."

Congressman Martin Meehan, the Ranking Minority Member of the Total Force Subcommittee, echoed the Chairman's strong support for MWR programs:

"...At a time when this nation is asking service members to make more sacrifices, their quality of life activities appear to be vulnerable to erosion. While no appreciable downturn has been detected in the quality of the MWR benefit, I am concerned about any reductions in the appropriated funding to support these activities. Specifically, appropriated funding for category A and B, child care centers and fitness, is being scrutinized as potential sources of funding for other activities."

The Army's FY04 military construction request included \$28.7M for two physical fitness training centers (\$15.5M for Fort Stewart/Hunter Army Air Field, Georgia and \$13.2M for Hohenfels, Germany). The Congress provided \$15.5M for the Fort Stewart project, but the Hohenfels project was not approved; the Senate Appropriations Committee disapproved all construction requested in Korea and Germany until the Department of Defense's overseas basing plan is more mature.

A key benefit to MWR was the passage of legislative language facilitating the recovery of nonappropriated fund instrumentality investments in real property at military installations closed or realigned as part of the base realignment and closure process. This will enable Army MWR to recoup approximately \$10.7M that will be used to fund MWR facility construction.

Policy Update

The Department of Defense authorized a change in patronage policies for MWR programs in FY03. Former prisoners of war, spouses of current POWs or service members missing in action and their family members, and non-DOD Federal employees working on installations are now authorized patronage of all MWR programs. Previous policy restricted these groups to only category C military clubs. This change will be implemented in the next revision to Army Regulation 215-1, Morale, Welfare, and Recreation Activities and Nonappropriated Fund Instrumentalities.

MWR Board of Directors

(Top, Left to Right)

Honorable Reginald J. Brown
Assistant Secretary of the Army (Manpower and Reserve Affairs)

General Paul J. Kern
Commanding General, U.S. Army Materiel Command

General Larry R. Ellis
Commanding General, U.S. Army Forces Command

General Leon J. LaPorte
Commander, United Nations Command and Republic of Korea / U.S. Combined Forces Command, and
Commander, U.S. Forces Korea

(Bottom, Left to Right)

General Kevin P. Byrnes
Commanding General, U.S. Army Training and Doctrine Command

General Burwell B. Bell III
Commanding General, United States Army Europe & 7th Army

Lieutenant General James Campbell
Commanding General, U.S. Army Pacific

Jack L. Tilley
Sergeant Major of the Army



MWR Board of Directors

The MWR Board of Directors continued to exert strong leadership in the management and operation of the Army's MWR programs. Significant decisions in FY03 included:

MWR Board of Directors Membership

The Board agreed to remain a separate entity from the Installation Board of Directors, a decision also approved by the Secretary of the Army in December 2002. The BOD directed the USACFSC to ensure that the meeting is held on the same day as the Installation BOD for scheduling purposes. The BOD declined to revise its membership other than changing the Sergeant Major of the Army representative to the Executive Committee from a non-voting to a voting member. The BOD also directed the Executive Committee to review the composition of its voting and non-voting members, stating a preference to limit Executive Committee voting members to reflect organizations which also have a voting member on the BOD. They disapproved a recommendation to require EXCOM members to appoint an alternate or pass their proxy if both primary and alternate cannot attend.

Elimination of Capital Reinvestment Assessment and Army MWR Fund Self-Sufficiency Exemptions

The BOD approved the elimination of the Garrison/Installation Management Agency 2 percent CRA effective FY04 and the elimination of AMWRF SSE-Operations payment to IMA Regions effective FY04. They approved retention of the Armed Forces Recreation Center CRA at 3 percent and continuation of AMWRF funding of SSE for Army Level Requirements. The BOD also approved the elimination of Army Lodging Fund SSE for operations effective FY04. Administrative instructions will be issued to eliminate the AMWRF SSE for minor construction, effective FY04.

Repayment of Army and Air Force Exchange Service Telephone Overpayment

The BOD disapproved AMWRF repayment of a \$1.99M telephone revenue overpayment, and directed the USACFSC to prepare a memorandum from the Chairman, MWR BOD, to the Commander, AAFES, recommending that overpayment be a decrement to AAFES retained earnings and asking to review the audit. They also directed the USACFSC to renegotiate a 1991 Memorandum of Agreement regarding overpayments. Subsequent to this decision, the AAFES BOD disagreed with the MWR BOD and requested the Army repay the overpayment, which they did.

Army Lodging Wellness Plan

The BOD approved the following recommendations to:

- Conduct an Army-wide assessment and apply "rack and stack" execution methodology to projects;
- Apply prioritization factors (facility condition – 75 percent, unmet primary occupant – 15 percent, OCONUS/Remote/Isolated – 10 percent);
- Use 80 percent as a target occupancy rate for right-sizing;
- Apply a defined project scope for central ALF funding (items funded for wellness plan projects) with any additional "features" funded by the installation;
- Apply defined criteria and process for project priority reconsideration. Criteria will include Base Realignment and Closure actions, catastrophic events, mission change, and alternative funding/solution such as public-private ventures. The process for reconsideration will proceed from installation to Region to the USACFSC to the Construction Investment Review Board by a memorandum signed by the garrison commander and endorsed by the appropriate regional director;
- Review the ranking of projects #6-10 from the January 2002 CIRB (FY04 - #6 Hohenfels and #7 Lewis; FY 05 - #8 Jackson; FY06 - #9 Selfridge and delete #10 Menwith Hill due to transfer to Air Force);
- Include as part of the project validation assessment process an evaluation of the Lodging Success Program meeting official travel needs;
- Continually evaluate funding enhancements and alternatives (cross-level funds within regions, aggressively seek appropriated funds, and recalculate allowable working capital).

Active Army Family Demographics			
	2002	2003	
Active Duty	78,368	79,866	Officer
	406,183	413,697	Enlisted
	484,551	493,563	Total
Family Units	284,774	282,307	
Family Distribution	89 %	86 %	CONUS
	11 %	14 %	OCONUS
% Married	72 %	70 %	Officer
	49 %	49 %	Enlisted
	53 %	52 %	Total
Dual Military	5,039	4,977	Officer
	22,538	21,859	Enlisted
Single Parents	2,936	3,693	Officer
	33,595	34,320	Enlisted
Family Members	252,193	254,739	Spouses
	460,853	469,069	Children/Youth
	3,599	3,654	Parents/Other
	716,645	727,462	Total

Figure 1-1



Redeployed from Iraqi Freedom for Fort Stewart, a Soldier of the 3rd Infantry Division, Headquarters and Headquarters Battalion, Division Artillery, gets a warm welcome from his wife and daughter.

- Photo by Richard F. Olson

Demographics

The demographics of the Army's Soldiers and family members are at Figure 1-1. Family member distribution shifted slightly to OCONUS locations (excluding Alaska and Hawaii) and the number of single parents increased slightly (8 percent of the force)

The working spouse percentage—51 percent—reflects 2002 data; no Spring 2003 Sample Survey of Military Personnel was conducted from which to update the data.

Well-Being

Army MWR and family programs play a major role in the Army's well-being process. Launched in 2001 by the Well-Being Council of Colonels, well-being is defined as the human dimension of the Army transformation—the personal, physical, material, mental, and spiritual state of Soldiers (active, reserve, guard, retirees, and veterans), civilians, and their families that contributes to their preparedness to perform the Army's mission. Well-being integrates and synchronizes processes, programs, issues, and initiatives across the Army to assist senior leaders in making decisions on priorities and funding from a holistic perspective. The current Well-Being Action Plan was approved and signed by the Vice Chief of Staff, Army in early 2003 and incorporates short, mid and long-term well-being program objectives. Of 59 functions in the Action Plan, 17 are under the umbrella of MWR and family programs. Army well-being is an integral part of transformation to the Future Force, and the USACFSC will continue to support well-being initiatives as the Army transforms.

MWR Strategic Action Plan

Transformation, restationing, deployments, Operation Enduring Freedom, and Operation Iraqi Freedom were some of the major events affecting Army MWR in FY03. Supporting the immediate requirements of Soldiers and families became the overriding concern. At its summer meeting, the MWR Working Group recognized that the Strategic Action Plan needed to be completely reviewed to ensure it fully supports the expeditionary force. That review is scheduled for FY04.

MWR Baseline Standards

Baseline standards ensure efficient use of funding by defining common installation resource requirements for key MWR/Family programs funded with APF. Annual installation assessments focus on staffing, availability, accreditation, and equipment. Standards define a C-rating for programs and identify funding needed to achieve a standard (in addition to actual FY execution).

The FY02 assessment identified a \$203.6M requirement to improve C4 (red) and C3 (amber) program elements to C1/C2 (green), a 33 percent increase from FY01 and additive to \$458.7M executed by the field. The FY03 assessment identified a \$238.6M requirement to improve C4 and C3 program elements to C1/C2, a 15 percent increase from FY02 and additive to \$494M executed by the field. This shortfall indicates continuing pressure on installations to use NAF to meet government obligations to provide standard levels of program support to Soldiers and their families. Assessment data provides a basis for building future years' funding requirements in support of Army MWR programs.

Installation Status Report

The Installation Status Report 2003 data call ran from January-April 2003. For ISR Infrastructure, the aggregate "Community" rating (most MWR and family program facilities) was assessed C3 for quality and C3 for quantity (the same as 2002). By program, installations reported an aggregate C1 quality/C4 quantity rating for Child Development Centers; C3 quality/C3 quantity for Youth Centers, Recreation Centers, Physical Fitness Centers, and Recreation Facilities; and C2 quality/C3 quantity for Outdoor Recreation Facilities (courts, fields, and outdoor pools).

The ISR Services aggregate MWR rating was C3 for quality (the same as 2002), with no quantity rating. Installations reported an aggregate C2 quality rating for Army Community Service; C2 for Child and Youth Services; and C4 for Sports, Recreation, and Libraries programs. Data from the annual baseline standards assessment is top-loaded into the ISR Services on behalf of installation Army Community Service, Child and Youth Services, and Fitness, Libraries, and Recreation programs.



Soldiers are briefed on the R&R program in the MWR tent at Camp Wolf, Kuwait.
- Photo by Coleen Amstein



Private Gabriel Herrera, Co. A, 2nd Bn. 325th Airborne Infantry Regiment pulls security at an 82nd Airborne Division forward operating base just outside an Iraqi town.
- Photo by Spc. Jason B. Baker, 49th Public Affairs Detachment (Abn.)

During times of war, combat effectiveness may be affected by Soldier battle fatigue, stress, and homesickness. Commanders call on MWR to ensure their Soldiers are supported by activities that maintain battle focus. Army MWR provides such support by delivering recreation, sports, and entertainment programming and equipment to deployed Soldiers and helping to take care of their family members back home.

The Army MWR Emergency Essential Civilian program ensures that civilian MWR professionals are ready when needed—150 civilians are available for a six-month deployment to locations around the globe to support Soldiers. As Army operations in the Balkans continued, 28 civilian specialists managed MWR programs at seven base camps and 17 remote sites in Bosnia and Kosovo. As support for the mission in Southwest Asia increased, seven civilian specialists deployed to OIF and OEF: one in Uzbekistan, two in Afghanistan, three in Kuwait, and one in Qatar.

During FY03, the USACFSC purchased and delivered \$13.5M worth of MWR equipment, supplies, and services to meet command requirements and improve the well-being of Soldiers and civilians deployed in support of Operations Enduring Freedom and Iraqi Freedom. The equipment assisted commanders in establishing and equipping fitness and recreation facilities at 25 large and 17 small sites in Iraq and three major and five remote locations in Afghanistan. Large MWR kits, for units of 1,000-1,500 Soldiers, included free weights, basketball goals, board games, and other interactive components to fill Soldier non-duty time. Small unit kits, for units of 100 personnel or less, included footballs, basketballs, exercise bands, board games, and cards.

The "Theater-in-a-Box" continues to be a huge hit with Soldiers. With a computer projection system, DVD/VCR player, speakers and screen, the kit provides a movie theater experience for Soldiers in remote locations. The demand for paperback book kits also grew, with 800 kits per month delivered to units in support of OIF/OEF. Monthly deliveries of new audio books, magazine subscriptions, music CDs, and The Army Times also help to maintain Soldier morale. The Stars & Stripes Newspaper (Baghdad) is printed with same day delivery to the joint mail terminal and five Baghdad drop sites. Live broadcasts on the Armed Forces Network ("Iraqi Freedom Radio") began in December 2003 to all major troop concentrations in support of OIF.

In September 2003, the Army was designated Executive Agent for rest and recuperation leave for Soldiers deployed in support of OIF. The USACFSC deployed civilian MWR professionals to establish the program. Based in Kuwait, and with satellite services in Baghdad, the R&R program provides leisure and recreation information, liaisons between travel contractors and Soldiers, and ensures a knowledgeable advocate for the Soldier traveler. From September 2003 to January 2004, MWR assisted 30,000 Soldiers with their travel plans. Additionally, MWR coordinated with major airlines on a unique program—"Operation Hero Miles"—to turn airline miles donated by airline patrons into free tickets to R&R leave destinations for more than 350 Soldiers.

Soldier Stationing

As FY03 came to a close, the Army announced a major policy shift in an effort to improve combat readiness and make life easier on troops and their families: Soldiers could expect to see significantly longer tours at their future duty stations. As envisioned, Soldiers will remain at their first post for up to seven years—twice as long as the current average—and may return to the home base later in their careers. This policy change coincides with restationing reviews being conducted in Europe and Korea. The goals of the new policy are to make units more cohesive by keeping them together longer, provide more opportunities for Soldiers to specialize in individual and unit skills, and to make the military lifestyle more attractive to families by allowing them more time to establish and stabilize themselves in communities. The pace of operations in the last year caused concern that the Army might start losing troops in large numbers if spouses balk at the strain of repeated deployments. The Army family is a force multiplier—when families are cared for, Soldiers can better focus on their mission: training, fighting, and winning the Nation's wars.

Base Realignment and Closure

The FY02 Defense Authorization Act includes the authority to conduct an additional round of BRAC actions beginning in 2005 (as Congress did four times from 1988 to 1995). In April 1998, the Department of Defense reported to Congress that the Army needed additional BRAC rounds, although the report named no installations and provided only estimates of excess Army base capacity. A thorough analysis of Army installations is underway. In December 2002, the Secretary of the Army announced the Army's participation in the BRAC analysis process. The Office of the Assistant Secretary of the Army for Installations and Environment (Infrastructure Analysis) is the Army office responsible for the BRAC 2005 analysis.

Installations as Flagships

"This is Not Business as Usual"

- GEN Peter J. Schoomaker, Chief of Staff, Army

The Army's core competencies are to train and equip Soldiers, to grow leaders, and to provide relevant and ready land power capability to the Combatant Commanders as part of the Joint Team. To prepare the Army to provide the necessary forces and capabilities to the Combatant Commanders in support of the National Security and Defense Strategies, CSA Schoomaker established 16 focus areas for planning, preparation, and execution of actions needed to effect change. One of these focus areas, "Installations as Flagships," aims to enhance installation ability to project power and support families. These focus areas will impact future programming and funding decisions as senior leaders channel Army efforts to win the Global War on Terrorism and increase the relevance and readiness of the Army.

The USACFSC uses a variety of channels to obtain demographic, social-psychological, and community findings with policy and program implications. Recent findings are summarized below.

Soldiers: MWR Program Use and Importance

Findings from the Spring 2002 Sample Survey of Military Personnel (Figure 1-2) indicate that in the last two years, 78 percent of all Soldiers used fitness facilities; 69 percent used gymnasiums and playing courts/fields; 62 percent went bowling; and 56 percent used library and information services. Soldiers selected the following MWR programs and services as "most important": fitness facilities; gymnasiums and playing courts/fields; and library and information services. From 1995 to 2002, these three services have been rated by Soldiers as the most important for enhancing the quality of Army life. The top ten programs in use and importance have remained consistent since 1995.

Quality of Life (Well-being) and Job Satisfaction

In the Fall 2002 SSMP (Figure 1-3), satisfaction for six MWR services were in the top fifteen for both officers and enlisted personnel: availability and quality of family programs, Army Youth Services, and recreational services. With the exception of "Quality of Army Child Care Programs" and "Availability of Army Child Care programs," all MWR services were in the top third of the 56 measured.

Army MWR Website

Findings from the Spring 2002 SSMP on use of, and satisfaction with, the Army MWR website show that during the last 12 months 23 percent of officers and 19 percent of enlisted personnel used the website to obtain information on programs and services. The most cited programs and services being researched were lodging, travel, and sports and recreation. Based on their use during the last 12 months, 80 percent of officers and 79 percent of enlisted personnel reported that they found website content to be very or moderately useful.

Employment Status of Non-Military Spouses of Soldiers

Findings from the Spring 2002 SSMP show that more than one-half of the non-military spouses of all Soldiers were working either full-time (34 percent) or part-time (17 percent). Non-military spouses working full-time declined from 39 percent in 1990 to 34 percent in 1992 and has remained steady—34 percent in 2002. The non-military spouses of warrant officers and senior NCOs were most likely to be working, but 32 percent of officer and 16 percent of enlisted personnel reported that their non-military spouses did not want to work now.

Lost Duty Time Due to Child Care

Spring 2002 SSMP data show that the percentage of all Soldiers reporting dependent children has been stable since 1995 (50 percent in 1995, 51 percent in 1999, and 49 percent in 2002). Of Soldiers who have dependent children 12 years or younger living with them and use child care, 22 percent of officers and 27 percent of enlisted personnel lost time from military duties because of a lack of child care.

- There was a significant increase of enlisted Soldier-parents who lost duty time in a three month period, directly related to a lack of child care (from 20 percent in 1995, to 23 percent in 1999, and to 26 percent in 2002). The majority of these enlisted Soldier-parents lost duty time two to five or more times in a three-month period.
- There was a significant increase of enlisted Soldier-parents who lost duty time in a 12-month period related to dealing with youth misconduct such as school suspensions, vandalism, and substance abuse (from 19 percent in 1997, to 27 percent in 2001). The majority of these enlisted Soldier-parents lost duty time two to five or more times in a 12-month period.
- In a 3-month period, 38 percent of the spouses of officers and enlisted personnel lost time from paid or volunteer work because of the lack of child care.

Sample Survey of Military Personnel	Spring 2002	Spring 1998	Spring 1997	Spring 1995
[Total Officers and Enlisted; Sampling Error +/- 1]				
Soldier Use of MWR				
Fitness Facilities	78%	77%	72%	75%
Gymnasiums/Playing Courts/Fields	69%	74%	71%	74%
Bowling	62%	60%	56%	59%
Library and Information Services	56%	58%	53%	56%
Swimming Pools	46%	46%	46%	45%
Information, Ticket and Reservation	43%	46%	43%	46%
Travel Agency Services	39%	48%	34%	46%
Automotive Shop	37%	40%	39%	41%
Outdoor Recreation Areas	30%	38%	36%	38%
Local Intramural Sports	28%	24%	20%	22%
Programs Most Important to Soldiers				
Fitness Facilities	71%	67%	64%	65%
Gymnasium/Playing Courts/Fields	56%	58%	58%	58%
Library and Information Services	51%	44%	44%	42%
Child Development Services	41%	34%	27%	31%
Automotive Shop	37%	37%	39%	39%
Travel Agency Services	37%	34%	25%	35%
Outdoor Recreation Areas	34%	37%	38%	39%
Swimming Pools	33%	33%	34%	31%
Information, Ticket and Reservation	32%	28%	28%	30%
Youth Services – YS	32%	34%	26%	29%
School-age Services – SAS	26%	N/A	N/A	N/A
Bowling	25%	21%	24%	23%
Child and Youth Services (CYS)	23%	N/A	N/A	N/A
Local Intramural Sports	21%	16%	16%	15%

Figure 1-2

Army Spouses

In-depth analysis of the 2001 Survey of Army Families IV concluded with the report "Supporting Families During Military Separations: The Value of Formal and Informal Support." Study conclusions and recommendations included:

- Job related family separations have significant negative effects on spouse personal adjustments
- Strengthening on-going relational support assets of family members has stronger positive effects than providing specific services to separated families
- Strengthening the quality of marriages has the greatest potential for promoting positive adjustments
- Strengthening work unit and overall Army support for families has substantial positive effects
- Family support services should give greater attention to preventive services that strengthen families and help connect families to informal support systems at the work place and in the community

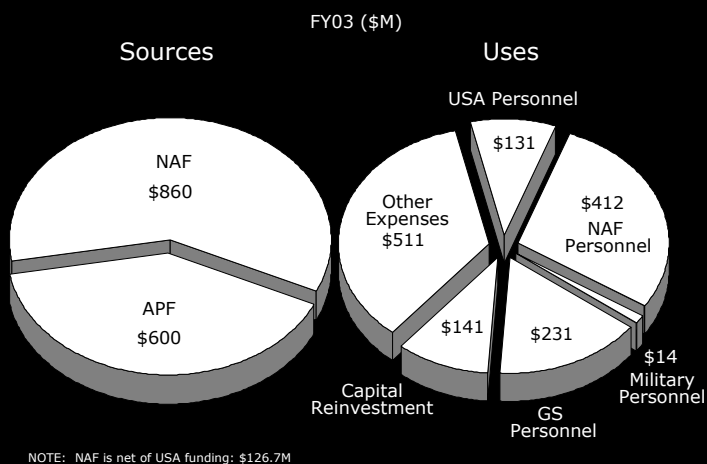
Future Studies and Surveys

The USACFSC has contracted to update a literature review that identified MWR programs' links to readiness. This effort is scheduled to be completed in FY04. Planning also began for the 2004 Survey of Army Families V, scheduled for fielding in 2004.

Fall 2002 Sample Survey of Military Personnel				
Rank Order	Officer Personnel - Fall 2002 (% Satisfied/Very satisfied)		Enlisted Personnel - Fall 2002 (% Satisfied/Very satisfied)	
1	Job security	88%	Commissary	85%
7	Availability of recreational services	78%	Availability of Army Youth Services	72%
8	Availability of Army family programs	77%	Quality of Army Youth Services	71%
9	Job fulfillment/challenge	77%	Availability of Army family programs	68%
10	Quality of recreational services	77%	Level of education benefits	68%
11	Competence of supervisors	77%	Quality of Army family programs	67%
12	Enjoyment from my job	77%	Availability of recreational services	66%
12	-	-	Quality of recreational services	66%
13	Availability of Army Youth Services	76%	Dependent schools (DODDS)	66%
14	Quality of Army family programs	76%	Amount of regulation and discipline	65%
15	Quality of Army Youth Services	75%	Assignment to leadership jobs	64%
25	-	-	Quality of Army child care programs	60%
30	Quality of Army child care programs	66%	Number of quick response tasks	58%
36	Quality of family medical care	58%	Availability of Army child care programs	56%
41	Availability of Army child care programs	56%	Compensation for PCS moves	50%

Figure 1-3

Financial Overview



MWR is Big Business - \$1.4 Billion

Figure 1-4

DoD Fiscal Standards: Metrics Army MWR Operating Funds

APF as Percentage
of Total Expenses

	FY98	FY99	FY00	FY01	FY02	FY03	Minimum
Category A	88%	88%	90%	90%	91%	92%	85%
Category B	61%	64%	66%	66%	67%	69%	65%

Figure 1-5

Critical Financial Indicators Army MWR Operating Funds

	FY01	FY02	FY03
% AMWRF Loan to Field NAFI Deposits	50%	43%	37%
Field NAFI Cash to Debt Ratio	1.1:1	1.1:1	1.3:1
Total Army NAFI Cash to Debt Ratio	0.8:1	0.8:1	1.2:1

Figure 1-6

All Army MWR-Operating Funds

Field operating MWR programs and Nonappropriated Fund Instrumentalities, the Army Recreation Machine Program, and the Army MWR Fund comprise Army MWR operating funds. Collectively, \$1.4 billion in total APF and NAF funding supported FY03 operating and capital requirements worldwide—a \$46M decrease from FY02. For APF, a \$20M decrease resulted from a \$70M decrease in Military Construction, Army; a \$49M increase in Operation and Maintenance, Army; and a \$1M increase in Military Personnel and other operating appropriations.

For NAF, revenue was down \$25.5M from FY02, primarily due to a decrease in Army and Air Force Exchange payments to the Army in FY03 (down \$10.7M from the FY02 distribution) and gross ARM revenue (down \$11.7M). Interest income was down \$2.8M and sales were off \$1.3M. These decreases were offset by a net increase of \$1.0M in other revenue.

Figure 1-4 shows total FY03 funding support and uses. The ratio of APF to NAF support was 41 percent to 59 percent, respectively. The APF share remained the same percentage compared to FY02. The major use of funds continues to be personnel, at 53 percent of the total, increasing one percentage point from FY02. After operating costs, \$141M was available for capital requirements—\$99M less than FY02, primarily due to lower MCA funds for FY03 and lower NAF cash generated from operations.



Sgt. Donald Herring, 14th Inf. Rgt., holds his 3-month-old son, Jaeden for the first time after returning from a deployment to Bosnia.
- Photo by Pfc. Sean Kimmons

DoD Funding Metrics

In November 1995, the DoD published fiscal standards for MWR requiring that, regardless of category, 100 percent of authorized costs are funded with APF. Metrics to measure these standards allow for incidental program related resale operations that are not authorized APF. The metrics focus on the relationship of APF and NAF operating support for Category A (Mission Sustaining Programs) and Category B (Basic Community Support). They exclude costs of goods sold and depreciation. For Category A, the minimum standard is 85 percent APF and 15 percent NAF. For Category B, the minimum ratio is 65 percent APF and 35 percent NAF.

The Army supports these standards. MWR long-range fiscal planning is based on matching the right funding source with APF/NAF requirements, and the MWR BOD established tracking mechanisms to ensure proper execution. MWR is now in its ninth year of monitoring these standards. Figure 1-5 illustrates FY03 results. Army MWR reported steady improvement, with Category A APF rising from 90 percent in FY01 to 91 percent in FY02 and 92 percent in FY 03, and Category B rising from 66 percent in FY01 to 67 percent in FY02 and 69 percent in FY03.

Critical Indicators

The MWR BOD uses many tools to monitor MWR operating funds and evaluate the program's collective health. Two "critical indicators" are the cash-to-debt ratio of the collective funds and the relationship of the outstanding AMWRF loan from the Army Banking and Investment Fund with field NAFI cash deposits. For the cash-to-debt ratio, the BOD reviews the total Army's cash in the ABIF, excluding the loan, versus liabilities due and payable at specific points in time throughout the fiscal year. These actual indicators are then compared with the plan to ensure the Army is on track.

As of 30 September 2003, the Army's collective MWR operating cash to current field liabilities was 1.3:1 (Figure 1-6). The AMWRF loan ratio to field cash deposits was 37 percent, down 6 percentage points from 30 September 2002. A lower loan balance coupled with higher field balances attribute to this positive change.



Banquet and Conference Center at Schofield Barracks.
- Photo by USACFSC Construction



Multi-purpose fields at Yongsan, Korea.
- Photo by USACFSC Construction

The USACFSC assists Army installations worldwide in programing, designing, and executing NAF major construction projects (over \$750K), capital purchase minor construction projects (under \$750K), and AFRC construction and public-private venture projects. Interior and food service design supports installation initiatives and development of theme restaurant concepts. By installation request, the USACFSC also provides project management to execute minor construction projects and assists installations in partnering with a private entity to provide revenue generating facilities and services through the public-private venture program. All services are provided at no cost to installations.

In FY03, Army MWR delivered 22 NAF major construction projects valued at \$72M and 39 CPMC projects valued at \$4.5M. Army MWR has 31 projects valued at \$179M ongoing at 26 installations in CONUS, Europe, and Korea. Additionally, 126 design/minor construction projects are ongoing at 56 locations. Congress approved 6 NAFMC projects valued at \$42.9M for the FY04 program. Over a five-year period the Army has supported MWR with 90 major construction projects valued at \$410.9M.

Systematic upgrades to AFRC properties continued for the seventh consecutive year. The renovation of in-house laundry in the Illima Tower of the Hale Koa Hotel was completed and renovations began to the Luau Pantry, employee cafeteria, and guest restroom facilities in the basement level. A pavilion over

the Luau grounds was also completed. The Shades of Green® on WALT DISNEY WORLD® Resort is scheduled to reopen in March 2004 and the new AFRC-Europe Hotel, Edelweiss Lodge and Resort, will open in the fall of 2004.

Army MWR also supports other military services by executing construction projects on a reimbursable basis. In FY03, the Army received \$335K for support to the Navy, the Navy Exchanges, and the Marine Corps.

Public-Private Ventures

The goal of the Army's MWR public-private venture program is to secure private sector expertise to deliver facilities and services and decrease the burden on Army funds. The USACFSC facilitates this process and awards PPV contracts for category C MWR facilities, benefitting commanders who need an MWR facility but lack funding to provide it to Soldiers and families. Garrison commanders engage PPVs to marry installation needs with private developer expertise to build a needed MWR facility. The developer is responsible for constructing, maintaining, repairing, and managing the facility, allowing the commander to focus on core mission requirements.

The PPV process is constantly being improved. The newest enhancement benchmarks the process time at 40 weeks and bundles it into four steps, as approved by the Deputy Assistant Secretary of the Army (Human Resources) in July 2003. The 40 weeks begin when a project arrives at the USACFSC for approval by the Army Secretariat, and ends after Congress approves contract award by OSD. This is a major improvement over the original 1996 process, which at ten steps averaged 163 weeks to award projects. Redundancies in the multiple approval steps have been eliminated.

By seeking private partners, the Army achieved \$32.5M in construction savings for the five facilities in operation. These ventures also returned \$215K in revenue to hosting installations. Another indicator of success is the construction of an additional car wash bay at Fort Carson, the first PPV project, in February 2003. The PPV program continues to grow with 19 projects in varying stages of development worth approximately \$39M in cost savings for the government. Two projects in the pre-award phase for FY04 will yield an additional \$2.3M in NAF construction savings.

The MWR PPV process continues to evolve. Future initiatives and process improvements will maintain the program's value to Garrison Commanders.

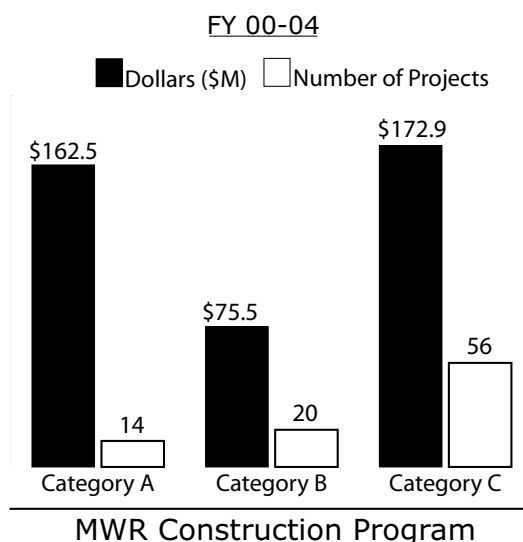


Figure 1-7

Audit



Audit Work Years

Time spent by USAAA and Army Internal Review offices auditing nonappropriated funds increased from 38 work years in FY02 to 51 in FY03 (Figure 2-1).

Internal Review audit time increased from 27 to 33, and USAAA time increased from 11 to 18 work-years.

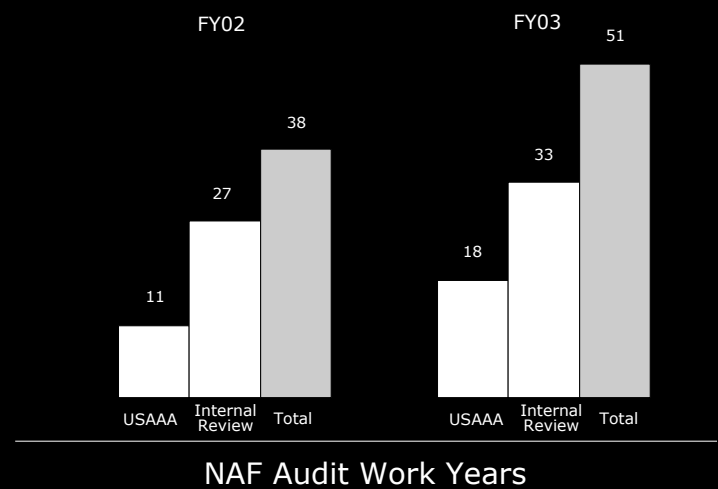


Figure 2-1



January 2003: Soldiers from 2nd Brigade, 3rd Infantry Division gather for a boxing smoker at Camp New York, Kuwait, only a few miles from the Iraqi border.
- Photo by Sgt. 1st Class David K. Dismukes, CFLCC Public Affairs

Process

Auditing standards issued by the Comptroller General of the United States require that the auditors plan and perform audits to obtain reasonable assurance that the financial statements are free of material misstatement. Audits include examining—on a test basis—evidence that supports the amounts and disclosures in the financial statements. Audits also assess accounting principles used, significant estimates made by management, and the overall financial statement presentation. The auditors believe their audits provide a reasonable basis for their unqualified opinion. Annual audits of the Headquarters, Department of the Army nonappropriated funds are required by DoD Instruction 7600.6.

Audits of the HQDA nonappropriated funds are conducted annually by independent commercial auditors. Independent commercial auditors audited the balance sheets, statements of operations, changes in fund balances, and cash flows for the year ending 30 September 2002. An unqualified audit opinion was rendered for the following funds:

- Army Morale, Welfare, and Recreation Fund
- Central Insurance Fund
- Banking and Investment Fund
- Hospitality Cash Management Fund
- NAF Employee Retirement Plan
- Medical Life Fund
- NAF Employee 401(k) Savings Plan
- Army Lodging Fund
- Recreation Machine Trust and Operations Fund
- Armed Forces Recreation Centers
(Europe, Korea, Orlando, and Hawaii)

Financial audits of these funds for FY03 are in progress.

The following U.S. Army Audit Agency audits were reported to the MWR BoD's Audit and Executive Committees:

Nonappropriated Fund Collateral

The USAAA issued their report on 20 August 2003. The USAAA reviewed the Army's procedures and processes related to collateral to secure NAF bank accounts. Specifically USAAA determined: how much if any additional collateral banks with Army NAF accounts should provide, and if Army procedures, functions, and processes can be improved through re-engineering or realignment. They suggested that ASA-FMO and the USACFSC develop a memorandum of agreement transferring the quarterly collateral review and reconciliation function to the USACFSC. The USACFSC agreed to establish a quarterly review and reconciliation process to ensure collateral values on deposit with the Federal Reserve Bank are appropriate and further agreed to update AR 215-1, chapter 11, to reflect current cash management techniques and the transfer of collateral deposit responsibilities to the USACFSC.

Use of APF for MWR and Family Programs

The USAAA issued a final report on 28 March 2003. The USAAA found that major Army commands generally executed appropriated funds that were programmed and budgeted for MWR and Family Programs for their intended purpose. Beginning in FY04, the Installation Management Agency will directly fund garrisons and execute installation programs, thus eliminating "fund migration" by MACOMS. The USACFSC instituted a process to improve the identification of funds that MWR and family programs need to meet Department of Army quality of life standards. These actions should improve the flow of appropriated funds for the programs from planning and budgeting through execution.

MWR Sustainment, Restoration, and Modernization

The USAAA issued a final report on 18 December 2003. The USAAA reviewed operations and related costs of maintenance and repair for installation MWR activities from FY97 through 31 March 2002. Overall, USAAA found that installations implemented the recommendations in the original audit report related to sustainment, restoration, and modernization and achieved increased efficiencies.

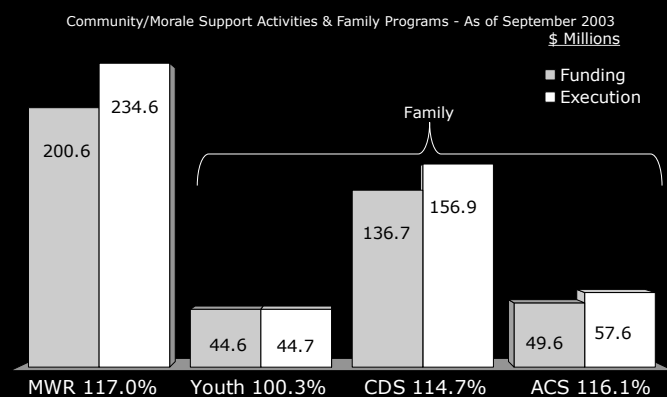
Financials



Total MWR Operating Funds

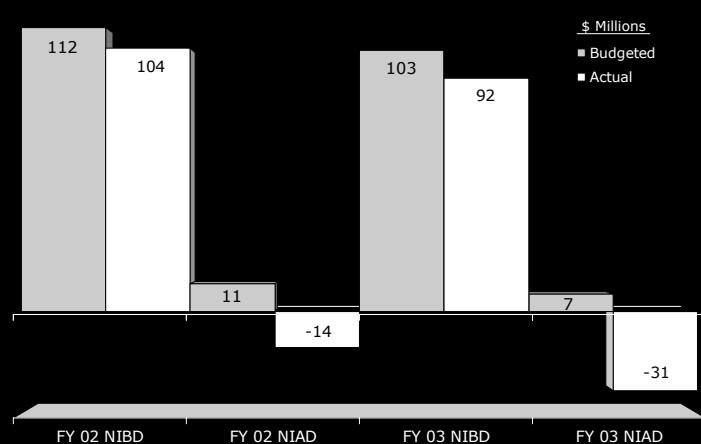
Army MWR corporate finances are the combined total performance from field operating NAFIs, the ARMP, and the AMWRF. The Executive Summary of this report shows how these elements, in the aggregate, performed from FY02 to FY03.

This section reviews field operating results for the same period. The remainder of this section addresses individual Headquarters, Department of the Army funds managed at the USACFSC and presents a summarized balance sheet and a summarized statement of income and expense which support the analysis in the Executive Summary.



Execution by Management Decision Package

Figure 3-1



Total MWR NAFI Worldwide NIBD/NIAD

Figure 3-2

Direct Appropriated Fund Support

The .L account (MWR) and family program accounts obligated at 114.4 percent of funding in FY03. The .L account executed \$235M (117 percent of funding) in support of Community and Morale Support Activities (i.e., military MWR programs). Family programs (Child Development, Youth Programs, and Army Community Service) executed \$259M (112 percent of funding). On a dollar basis, this was \$14M more than actual FY02 execution for the .L account and \$21M more for family program accounts. The FY03 approved total program funding was \$2.1M less than FY02. Total execution increased by \$35M compared to FY02.

Figure 3-1 shows FY03 execution by Management Decision Package. For the second time in six years, .L account execution was more than initial funding levels—clear evidence of the high priority Soldier MWR programs received from garrison commanders.

FY	MWR BOD NIBD Standard	\$M Actual NIBD	% Net Total Revenue (Less USA)	Capital Reinvestment Assessment	Cash Generation Standard (NIBD+CRA)	Actual Cash Generated
	As % of Total Revenue			As % of Total Revenue		%
96	5 %	\$ 65.1	7.8 %	2 %	7 %	9.8 %
97	5 %	\$ 75.8	8.9 %	3 %	8 %	11.9 %
98	7 %	\$ 66.9	8.8 %	2 %	9 %	8.8 %
99	8 %	\$ 88.6	11.4 %	2 %	10 %	11.4 %
00	8 %	\$ 116.7	14.3 %	2 %	10 %	14.3 %
01	8 %	\$ 117.1	14.7 %	2 %	10 %	14.7 %
02	8 %	\$ 103.8	13.5 %	* 2 %	10 %	13.5 %
03	8 %	\$ 91.6	12.1 %	* 2 %	10 %	12.1 %

* AFRCs pay 3%

Figure 3-3

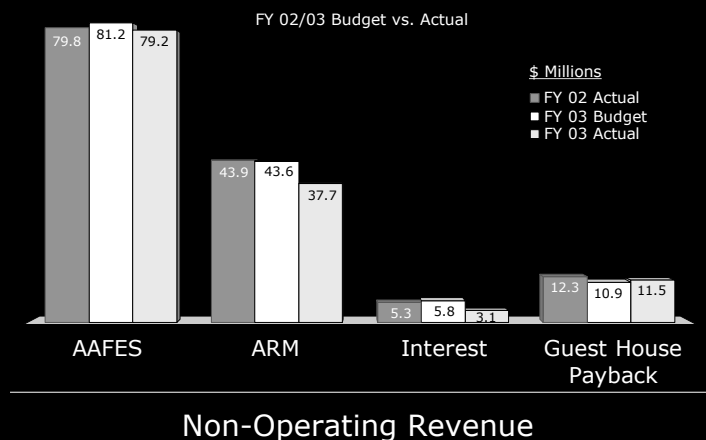
Functional NAF Operating Results		Army Average Data Adjusted for Base Closure				
	\$ M	FY99	FY00	FY01	FY02	FY03
Income Generators						
Category C Programs		64.8	71.8	55.0	51.1	45.9
External Revenue		129.8	146.4	159.8	154.2	144.5
Subtotal		194.6	218.2	214.8	205.3	190.4
Income Users						
Category A Programs		-5.2	-4.1	-4.2	-3.9	-3.2
Category B Programs		3.7	6.9	6.9	7.4	8.7
Overhead Expense		-89.4	-88.5	-85.2	-89.1	-88.7
Capital Reinvestment Assessment		-15.1	-15.8	-15.2	-15.9	-15.6
Subtotal		-106.0	-101.5	-97.7	-101.5	-98.8
NIBD		88.6	\$ 116.7	\$ 117.1	\$ 103.8	\$ 91.6
% of Net Revenue		11.4%	14.3%	14.7%	13.5%	12.1%

Figure 3-4

Nonappropriated Funds

For FY03, Army-wide MWR Funds reported net income before depreciation of \$92M, or 12.1 percent of net revenue, versus \$103.8M, or 13.5 percent, in FY02. Figure 3-2 reflects the level of NIBD earned in FY03, which exceeds the MWR BOD NIBD standard by 4.1 percentage points. Net revenue for FY03, at \$755.5M, was \$16.4M less than that reported for FY02.

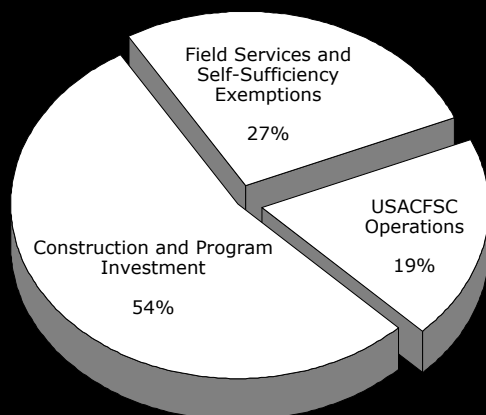
Figure 3-3 shows continued dedication by installations in meeting and exceeding the BOD's standards for eight consecutive years and an ability to reach even higher goals. Figure 3-4 depicts NAF functional operating results: Category A and B programs improved for FY03; the decrease in Category C programs reflects continued impact of heightened levels of security and mobilization. Nonoperating revenue decreased \$9.8M from FY02 primarily due to lower ARM revenue and interest income (Figure 3-5).



Non-Operating Revenue

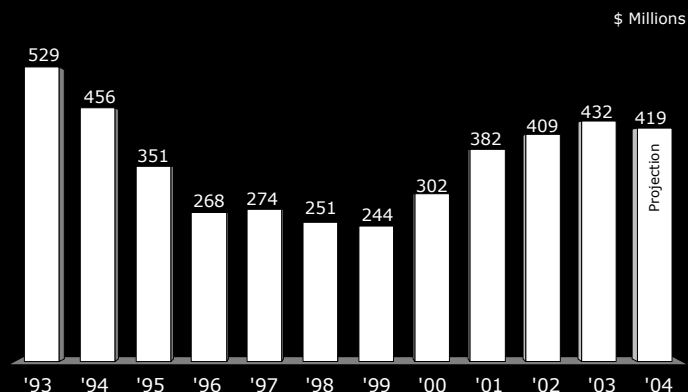
Figure 3-5

Army Operating Funds



Uses of an AMWRF Dollar

Figure 3-6



Army Banking and Investment Fund
Depositors' Balances - Net of AMWRF Loan

Figure 3-7

This section addresses individual Headquarters, Department of the Army funds managed at the USACFSC and presents a summarized balance sheet and statement of income and expense.

Army Morale, Welfare, and Recreation Fund

This is the MWR Board of Directors' tenth year of financing strategies to modernize the MWR NAF physical plant and finance Army-wide program investment initiatives. The long-range plan redirected field NAFI revenue to the AMWRF for worldwide application and authorizes borrowing from the Army Banking and Investment Fund. In FY03, this extremely aggressive plan paid out \$32M for regular construction, \$7M for management information system support, and \$9M for other program investments such as master training, interns, patron surveys, and marketing research. The next largest allocation is for field exemptions and services, such as self-sufficiency exemption dividends, capital purchase and minor construction grants, Army sports, and Better Opportunities for Single Soldiers. The fund also supports a portion of the NAF administration budget for the USACFSC. Figure 3-6 shows how the AMWRF dollar was allocated for FY03.

Army Banking and Investment Fund

The Army Banking and Investment Fund manages a pool of U.S. Government securities on behalf of participants and pays interest based on portfolio earnings. During FY03, the ABIF provided cash management and investment services to 400 Army and DOD entities. Participants earned a compounded rate of 2.01 percent on their average deposited balance. During the year, the ABIF distributed \$8.2M as interest income. Invested cash rose from \$409M to \$432M from FY02 to the end of FY03 (Figure 3-7).

Army Central Insurance Fund

The Army Central Insurance Fund provides comprehensive property and casualty insurance through a self-insured program for all NAF programs. The ACIF purchases commercial property insurance which serves as re-insurance against catastrophic loss. The recent trend of catastrophic losses continued in FY03, with claim payments totaling \$793.4K resulting from fire, flood, and windstorm damage to NAF buildings and contents. Accidents causing damage to NAF operated vehicles resulted in losses of \$655K. Losses resulting from the theft or robbery of NAF money and securities resulted in claim payments of \$148K. The cost of general and vehicle tort claims for bodily injury and property damage due to negligence amounted to \$496K. The increased cost of workers' compensation claims resulted in an increase in the rate charged to CONUS installations for FY04. The increased cost of unemployment compensation for FY03 resulted in payments of \$3.2M to former NAF employees. The ACIF had a net operating loss of \$7.2M for the year. This loss is directly attributable to the increased cost of commercial property insurance, self-insured claims expense, and the increase to the actuarial reserves required for workers' compensation claims.

Army Recreation Machine Trust Fund

The Army Recreation Machine Trust Fund administers the Army Recreation Machine Program operating profits. In FY03, the ARMTF received \$65.3M in profit distribution, a \$12.4M decrease from FY02 primarily due to decreased revenue in Korea. Major uses of cash in FY03, on a cash flow basis (which includes cash on hand at the beginning of the year), were \$66.7M in shared distributions and \$7.8M for internal ARM operations capital expenditures.

US Army NAF Retirement Fund				
Asset Class	FY02		FY03	
	Amount \$M	Percent %	Amount \$M	Percent %
Common Stock	\$ 234.7	49.1 %	\$ 374.0	67 %
Bonds and Debentures	165.7	34.6 %	136.6	25 %
Cash and Equivalents	14.3	3.0 %	23.5	4 %
U.S. Government Securities	18.3	3.8 %	7.3	1 %
Insurance Contracts	14.7	3.1 %	15.8	3 %
Venture Capital	30.7	6.4 %	0	0 %
Total	\$ 478.4	100 %	\$ 557.2	100 %

Figure 3-8

US Army NAF Employee 401(k) Fund			
Investment Fund	Avg Total Returns Period Ending 30 Sep 03		
	1 Year	5 Years	Life of Fund
Retirement Money Market	0.82 %	3.77 %	4.98 %
U.S. Bond Index	3.68 %	6.61 %	8.33 %
Asset Manager	12.81 %	5.28 %	10.19 %
Spartan Equity	22.12 %	0.83 %	11.33 %
Dodge and Cox	24.76 %	12.47 %	11.78 %
Overseas	34.90 %	1.86 %	12.05 %
T. Rowe Price	28.87 %	10.30 %	13.41 %
Growth and Income	13.16 %	1.07 %	13.66 %
Growth Company	39.46 %	5.50 %	14.27 %

Figure 3-9

Army Central Retirement Fund

The ACRF represents the total of employee and employer contributions and investment earnings on those contributions (plan assets) for the U.S. Army NAF Employee Retirement Plan. The fund pays accrued benefits to participants and their survivors as determined by a formula based on salary and years of service when they are eligible for retirement.

As of 1 October 2003, the date of the last actuarial valuation, the value of benefits that participants have earned to date (actuarial present value of accumulated plan benefits) was \$528M. This is the amount required to satisfy all the plan's obligations if it were terminated today. The market value of assets available on 1 October 2003 was \$546.3M, compared to \$472.4M on 1 October 2002.

A more important measure of the plan's financial health is its ability to meet obligations for benefits that will be earned in the future. An enrolled actuary makes these computations annually. As of 1 October 2003, the total actuarial accrued liability was \$587M compared with \$554.9M one year before, with the actuarial value of assets at \$596M. This surplus represents the continued strength of the fund, notwithstanding the generally unfavorable status of investment markets.

Retirement plan assets are in a trust fund that can only be used to provide benefits to participants as authorized by the plan. Five trustees are responsible for investing assets in authorized investments such as stocks, bonds, real estate, and government instruments. Assets are invested so that, over time, the return on investment meets the long-term assumptions on which the plan is based. The plan paid NAF retirees and their beneficiaries \$26.8M in FY03 including a 2.1 percent cost of living increase beginning 1 April 2003.

On 30 September 2003, the market value of the plan's assets totaled \$557.2M. These assets were invested as shown in Figure 3-8. The return on investment earned by these assets for the year ending 30 September 2003 was 11 percent.

Army Medical / Life Fund

The Army offers health, dental, and life insurance benefits to its regular NAF employees as one of six component NAF employer participants in the DoD Uniform Health Benefit Plan. The AMLF collects premiums from employers and employees based on participant enrollment in the health benefits options. Alternatively, employees may elect health benefits coverage through health maintenance organizations in some locations. Claim expenses for the DoDHBP are satisfied by direct disbursements to affiliated medical service providers after the plan takes its discounts. When services are provided from outside the network or for any dental claims, participating employees are reimbursed directly. In order to preserve the tax-preferred status of life insurance benefits, the Fund reimburses a contracted insurance carrier for benefits paid to beneficiaries of deceased participants in the life insurance program.

401(k) Savings Plan

The U.S. Army NAF 401(k) Savings Plan continues to be a valuable benefit for employees who are working to achieve financial security. The total individual 401(k) Savings Plan account balances were \$170.6M, an increase of \$34M (25%) from the previous year. This substantial increase was a result of increased contributions, which were allowed under the Economic Growth and Tax Relief Reconciliation Act, coupled with a strong rebound of the stock market. Figure 3-9 shows investment returns for the nine funds available to employees as investment options. Participation in the U.S. Army NAF Employee 401(k) Savings Plan continues to grow. As of September 30, 2003, there were 10,064 active participants, which was 62 percent of the eligible employees. This 9 percent enrollment increase reflects the efforts of personnel managers in promoting participation in the plan.

Summarized Balance Sheet

Below is the summarized balance sheet (Figure 3-10) for Army MWR Operating Funds.

The Army MWR Operating Fund's collective financial position, as of 30 September 2003, reflected a current ratio of 1.6:1 versus 1.4:1 attained in FY02. Total cash to current liabilities was calculated at 1.4:1 compared with 1.3:1 as of 30 September 2002.

The reported decline in Fixed Assets is largely due to a reconciliation of fixed assets records in the European Region. Increases in Other Assets reflect progressive payments made by the Hospitality Cash Management Fund on two capital improvement initiatives for the Edelweiss Lodge and Resort and the Shades of Green® on WALT DISNEY WORLD® Resort.

Figures reported in the summarized balance sheet in the FY02 MWR Annual Report for the period ending 30 September 2002 have since been revised and are reported below.

Summarized Balance Sheet: Army MWR Operating Funds

	30 Sep 02	30 Sep 03	Change
Assets			
Current Assets			
Cash/Investments	228,658,860	208,371,679	- 20,287,181
Receivables	61,925,546	60,828,479	- 1,097,067
Inventories	22,090,110	22,142,405	52,295
Prepaid Items	<u>9,290,287</u>	<u>9,617,217</u>	<u>326,930</u>
Total Current Assets	321,964,803	300,959,780	- 21,005,023
Fixed Assets	2,284,514,306	2,223,750,864	- 60,763,442
(Less) Accumulated Depreciation	<u>1,051,007,562</u>	<u>1,092,678,738</u>	<u>41,671,176</u>
Book Value Fixed Assets	1,233,506,744	1,131,072,126	- 102,434,618
Other Assets			
Capital Commitment/Sinking Funds	10,522,318	8,722,943	- 1,799,375
Separation Sinking Funds	2,138,907	1,911,091	- 227,816
Other	109,366,363	209,911,822	100,545,459
Total Assets	\$ 1,677,499,135	\$ 1,652,577,762	- \$ 24,921,373
Liabilities			
Current Liabilities			
Accounts Payable	37,520,691	30,871,593	- 6,649,098
Other	<u>192,795,504</u>	<u>156,769,297</u>	<u>- 36,026,207</u>
Total Current Liabilities	230,316,195	187,640,890	- 42,675,305
Total Long Term Liabilities	<u>162,909,097</u>	<u>158,955,537</u>	<u>- 3,953,560</u>
Total Liabilities	393,225,292	346,596,427	- 46,628,865
Fund Equity	<u>1,284,273,843</u>	<u>1,305,981,335</u>	<u>21,707,492</u>
Liabilities and Fund Equity	\$ 1,677,499,135	\$ 1,652,577,762	- \$ 24,921,373

Figure 3-10

Summarized Income and Expense Statement

Figure 3-11 illustrates the statement of FY03 APF and NAF operations compared with FY02. The NAF revenue and expenses transacted through MWR Utilization, Support and Accountability have been eliminated from this display in order to preclude overstatement of combined APF and NAF support. In FY03, \$142.6M was executed using MWR/USA versus \$126.7M in FY02.

Total APF support decreased \$20.4M compared with last year. There was a \$70.4M decrease in Military Construction, Army. This was offset by a \$49M gain in Operation and Maintenance, Army and a \$1.4M net increase in other operating appropriations.

The collective NAF revenue for the Army Operating Funds reflects \$860.2M, a \$25.5M decline from FY02. Material declines were seen in AAFES payments to the Army of -\$10.7M, gross ARM revenue of -\$11.7M, interest income -\$2.8M, and sales -\$1.3M. Other operating revenue held relatively stable at \$392.6M, up \$1M from FY02.

On the APF side of the expense ledger, obligations were recorded at \$571M, \$50M higher than FY02. Personnel costs consumed the majority of the APF support (66 percent of the total). APF support for USA labor recorded the largest increase from FY02, at \$34.5M. Other operating costs increased \$15.1M, or 8 percent more than FY02. Major increases were seen in utilities; sustainment, restoration, and modernization; and equipment.

For NAF, operating expenses rose to \$727M in FY03, an \$11.7M increase, or 1.6 percent, from FY02. Cost of goods as a percent of sales remained relatively stable at 41.7 percent versus 41.9 percent in FY02. NAF operating and overhead labor declined \$14M, primarily due to increased MWR/USA activity for the year.

Other expenses rose \$26.7M, however, offsetting decreased personnel costs. Higher support reported for supplies, equipment, and other operating costs were the major elements of this increase. NIBD was recorded at \$4.1M versus \$46.6M in FY02 due to material declines in revenue cited above and the 1.6 percent increased operating cost.

Summarized Income and Expense Statement: Army MWR Operating Funds

		FY02	FY03	Change
Revenue	APF:			
	Military Personnel	13,406,432	13,896,697	490,265
	OMA	489,386,214	538,241,780	48,855,566
	Other Operating	6,992,662	7,932,655	939,993
	DLA/DoD	11,191,273	10,947,083	- 244,190
	<u>MCA</u>	<u>78,600,000</u>	<u>8,200,000</u>	<u>- 70,400,000</u>
	Subtotal	\$ 599,576,581	\$ 579,218,215	- \$ 20,358,366
	NAF:			
	Sales	224,875,989	223,566,266	- 1,309,723
	Gross ARM Revenue	128,223,110	116,488,304	- 11,734,806
	Central Fund AAFES Dividend	54,986,634	41,033,718	- 13,952,916
	ASD/Other AAFES	79,752,126	83,056,751	3,304,625
	Other Revenue *	391,606,424	392,620,296	1,013,872
	<u>Interest Income</u>	<u>6,205,115</u>	<u>3,394,791</u>	<u>- 2,810,324</u>
	Subtotal *	\$ 885,649,398	\$ 860,160,126	- \$ 25,489,272
Total Revenue and Appropriations		\$ 1,485,225,979	\$ 1,439,378,341	- \$ 45,847,638
Expenses	APF:			
	Operating Labor **	199,893,475	202,123,934	2,230,459
	Overhead Labor **	44,374,851	42,571,072	- 1,803,779
	APF Support for USA Labor	96,713,752	131,217,225	34,503,473
	<u>Other Operating Costs</u>	<u>179,994,503</u>	<u>195,105,984</u>	<u>15,111,481</u>
	Subtotal	\$ 520,976,581	\$ 571,018,215	\$ 50,041,634
	NAF:			
	Cost of Goods Sold	94,200,917	93,306,328	- 894,589
	Operating Labor *	319,783,587	311,572,212	- 8,211,375
	Overhead Labor *	106,603,282	100,725,747	- 5,877,535
	<u>Other Operating Costs *</u>	<u>194,783,822</u>	<u>221,504,268</u>	<u>26,720,446</u>
	Subtotal *	\$ 715,371,608	\$ 727,108,555	\$ 11,736,947
	Total Operating Expenses	1,236,348,189	1,298,126,770	61,778,581
	<u>Military Construction Army</u>	<u>78,600,000</u>	<u>8,200,000</u>	<u>- 70,400,000</u>
	Net Income Before Depreciation	170,277,790	133,051,571	- 37,226,219
	<u>Depreciation</u>	<u>123,665,741</u>	<u>128,968,018</u>	<u>5,302,277</u>
Net Income (Loss)		\$ 46,612,049	\$ 4,083,553	- \$ 42,528,496

* Net of USA revenue: FY02 \$126,747,584; FY03 \$142,583,914

** Includes General Schedule, Foreign Nationals, Wage Grade, and Military Personnel Army

Figure 3-11

Workforce

For the 34,000 employees who deliver MWR worldwide, the Army provides a wide menu of services from referral, training, benefit management, and administration to career field management.



Civilian MWR specialists provide professional management of MWR programs to deployed Soldiers. L-R: Norm Hallowell, Coleen Amstein, Joe Pettoni, and Rob Hansgen in the R&R tent at Camp Wolf, Kuwait.
- Photo courtesy of Coleen Amstein

White Plume Awards

The White Plume award was established in 1982 by the Adjutant General of the Army to recognize outstanding service and contribution to MWR and family programs. It is the Army's highest medal for achievement in support of Army MWR.

Winners of the White Plume (Figure 4-1) represent true service to the Soldier, the Army, and the nation.



2003 White Plume Awards

Ms. Cecelia Abrams	Spouse, CG TRADOC
Mr. Irving Berlin	Posthumous
Mr. Frank Eckhardt	Fort Bragg, N.C.
Ms. Linda Howle	Fort Campbell, Ky.
Ms. Janice Osthus	USACFSC
Ms. Jo Pendry	USACFSC
Ms. Patty Shinseki	Spouse, Chief of Staff, Army
Ms. Paula Stead	98th ASG, Europe
Mr. Arthur Webb	IMA-Europe

Figure 4-1

NAF Employee Benefits

The Army provides an extensive menu of benefits for the 34,000 worldwide NAF employees that deliver MWR programs. FY03 highlights included:

- A new NAF Group Long Term Care Insurance Program was established under contract with the CNA insurance group. The initial employee open enrollment was conducted during the first quarter of FY03. A comprehensive enrollment campaign and employee presentations at 72 installations resulted in an enthusiastic reception by the workforce.
- The USACFSC Benefits Office delivered benefit presentations and one-day retirement seminars, in cooperation with Fidelity Investments, to installations. Promotional materials were issued for electronic and mail distribution to eligible employees and NAF Human Resource Offices to enhance understanding of benefit programs and increase participation in the benefit programs.
- The provisions of the new HIPAA Privacy legislation were implemented during FY 03. All Health Plan participants were provided Privacy Policy notification and all personnel who handle or have access to employee medical information were trained on protecting the privacy of that information. Benefit levels in the DoD Uniform Health Benefits Plan were improved, meeting the challenge of providing quality, affordable health care to Plan participants. The dramatic double digit increases in premiums over the past few years leveled off somewhat in FY 03, resulting in the first single digit premium increase in five years. Network coverage for participants continued to expand to the extent that 90% of CONUS based NAF employees are within network areas, thus providing them with the maximum health care benefit for the lowest price possible. Aetna, the third party administrator of the plan, improved customer service and access to information with the introduction of Aetna Navigator, an interactive web based system that allows participants to view claims processing status, explanation of benefits, and a wide range of information about plan benefits, as well as health related information.
- Participation in the NAF Employee Retirement Plan continued to increase during FY 03, as a result of the BOD decision in FY 01 to require participation of new hires for their first six months of service.

The dramatic increase has had a positive impact on the well-being of the NAF workforce. The Portability Project Office, initially established in FY 02 to audit and correct service records of employees who transfer between the APF and NAF personnel systems under the portability legislation, made significant progress in restoring retirement benefits to employees who had been incorrectly processed.

- The 401(k) Savings Plan was enhanced with the introduction of Financial Engines, an interactive web based system that provides personal financial planning and investment strategy advice to Plan participants. The Financial Engines service, provided at no cost to 401(k) Plan participants, will assist NAF employees in meeting their financial goals for retirement and help insure their financial security. Fidelity Investments, which administers the NAF 401(k) Savings Plan continued to provide enhanced web based services to participants, and continuous promotion of this valuable benefit resulted in a steady increase in participation in FY 03.
- With the complete fielding of Phase II of the Benefits On-Line System, all benefit transactions and data input is accomplished by the NAF Human Resource Offices through the internet directly into the automated benefits system with no hard copy input. Phase III of the project, now under contract, is expansion of Benefits On-Line to provide employee access to their benefit records and make it possible to obtain instant benefit statements and retirement projections, as well as submit service requests to update information in the database. The NAF benefits web site continued to expand with the addition of links to other benefit web sites and services.
- The USACFSC provided training support to the Civilian Human Resources Agency to improve personnel technician knowledge of benefit programs and processing requirements taught in the NAF Personnel Technicians Course, as well as Appropriated Fund personnel technician knowledge of portability of benefits processing requirements. The latest VTC technology was used to provide this training to HR personnel worldwide.

Career Development Programs



Joe Harris, 221st Base Support Battalion Outdoor Recreation director, checks out a paintball rifle during a seminar at the 2003 MWR Expo.
- Photo by Douglas Ide

Career Development and Staffing

The USACFSC continues to assist commanders in filling MWR vacancies, both APF and NAF, at grades GS-9/NF-04 and above. A total of 426 referral lists were issued in CY03. It took an average of 28 calendar days to prepare and issue a referral list. Of the total referral lists issued during the year, 25 percent were issued from the standing applicant inventory in 11 calendar days and 75 percent were prepared in 33 days after issuing special vacancy announcements with an average open announcement period of 14 days.

Career Management and Staffing Program

Development efforts continued on the CMSP. The CMSP is a proactive, long-term approach to developing the Army MWR workforce and institutionalizing an effective centralized management directed assignment system. Positions in the following functional areas will be managed as part of the CMSP once implemented: financial management, child and youth services, business and recreation programs, services, lodging management, and multi-disciplinary management programs.

NAF Management Trainee

The centrally funded NAF Management Trainee Program places college graduates with specialized degrees into MWR positions. During 2003, six graduates from the FY01/02 programs and two graduates from the FY03 program completed on-the-job training and moved into permanent placement positions. In FY03, eight trainees were recruited into the program:

- 1 NAF Human Resources
- 1 Child and Youth Services
- 2 Food and Beverage
- 1 Lodging
- 2 Outdoor Recreation
- 1 Marketing

Regional training sites for these positions are located at Picatinny Arsenal, NJ; Redstone Arsenal, AL; Rock Island Arsenal, IL; Fort Benning, GA; Fort Jackson, SC; Fort Carson, CO; and Fort Lee, VA.

Active recruitment continues, and 10 trainees are projected to be hired in FY 04. A Financial Management Training track will be added in June 04. The NAF Management Trainee Program provides quality MWR leaders for the future.

Learning @ Full Velocity

On-site Implementation Training

804 NERO
658 SERO
575 NERO
652 SWRO
186 PARO
282 KORO
471 EURO

3,628 TOTAL

Figure 4-2



Web interface for the MWR Academy online campus.

Master Training

The MWR Academy, located in Falls Church, Virginia, offers courses for the Army and its sister services. Academy courses support the MWR Master Training Plan. The MWR Academy trains entry-level employees through general officers serving as installation commanders.

Web-based training remains at the forefront of planning and development efforts. The USACFSC basic management and MWR orientation courses became web-based in FY03. The MWR Academy staff conducted worldwide training at over 100 installations on the Learning Management System—the portal to web-based instruction, job aids, and other performance support tools. A total of 3,628 people were trained in this Learning Management initiative called Learning @ Full Velocity (Figure 4-2).

Since 1988, the MWR Academy has trained 21,788 students. In FY03, 2,183 personnel received training (Figure 4-3). This included 1,957 Army, and 226 Marine, Navy, and Air Force MWR personnel. A total of 1,508 people accessed the MWR on-line Orientation Course, and 984 accessed the CFS Management Course.

The MWR Academy delivers 12.6 percent of its training at the installation, 26.5 percent at the Academy, 29.7 percent by correspondence, 12.1 percent by contract off-site, 14.1 percent through web-based instruction, and 5 percent at the MWR Culinary Academy in Ft. Lee, Virginia.

The American Council on Education evaluates MWR Academy courses and recommends college credit for many offerings. Neither the ACE nor the MWR Academy grants college credit, but ACE recommendations encourage colleges and universities to award credits to students participating in applicable degree programs. In addition, students receive Continuing Education Units for most Academy courses.

MWR Academy

FY03 Student Totals by Course

251	Applied Financial Planning
23	Army Community Service Directors' Course
24	Army Family Action Plan Course
22	Business Program Managers' Course
17	Catering Professionals' Course
15	Catering Culinary Skills Course
120	CFS Management Course (Completed Residence/Correspondence)
427	CFS Management Course (Enrolled Correspondence)
126	CFS Management Course (On-Line)
19	Contract Administration
21	Contract Negotiation
13	Contract Performance Based
14	Contract Project Management
59	CYS Most Efficient Organizations Course
47	CYS School Liaison Services/Youth Education
25	Effective Organizational Leadership for Hospitality
18	Employment Readiness Course
15	Food & Beverage Automation Courses
25	Food & Beverage Management Course
22	Full Service Culinary Skills Course
24	General Officer Installation Commander's Course
25	Golf Superintendents' Course
40	ISO Training Courses
27	Lodging Customer Service
30	Lodging Front Office Operations
28	Lodging Human Resource Management
30	Lodging Supervisor's Course
30	Lodging Strategic Financial Planning
22	Marketing Managers' Course
25	Mobilization and Deployment Readiness
181	MWR Orientation Course (On-Line)
20	NAF Contracting, Advanced
131	NAF Contracting, Basic
90	NAF Contracting, Basic (Enrolled Correspondence)
9	Performance Analysis in Hospitality Organizations
12	Process & Quality Leadership Tools for Hospitality
35	Program and Special Events Management Course
42	Recreation Managers' Course
17	RecTrac Application Administrators' Course
21	Relocation Readiness Course
8	Snack Bar Management
9	Snack Bar Skills/Fast Food Course
14	Strategic Leadership for Hospitality Managers
10	Value Creation in Hospitality Organizations
2,183	TOTAL

Figure 4-3

Management Summaries



We recognize the fundamental relationship between well-being programs and institutional outcomes such as readiness, retention, and recruiting.

We recruit Soldiers, but we retain families.

Well-being programs help make the Army the right place to raise a family. When our families are cared for, Soldiers can better focus on their mission—training, fighting, and winning our Nation's wars, decisively.

Soldiers appreciate the Nation's devotion to them, and they are grateful for the country's recognition of their service and sacrifices.

- The 2003 U.S. Army Posture Statement



The sun sets on the horizon for Soldiers of the 3rd Infantry Division (Mechanized) at Camp New York, Kuwait.
- Photo by Spc. Mason T. Lowery, 50th Public Affairs Detachment

Army Community Service

Army Community Service provides programs for consumer affairs and financial assistance, emergency assistance, exceptional family members, family member employment assistance, family advocacy, foster care, information and referral, outreach, relocation assistance, mobilization and deployment, and installation volunteer support. ACS includes the Army Family Action Plan and Army Family Team Building programs and may also support Family Readiness Groups, Army Emergency Relief, mayoral programs, and transition assistance.

Army Community Service Operating Costs		
\$M FY02	\$M FY03	
4.5	1.9	Outreach
2.4	2.7	Information, Referral and Follow up
0.2	3.5	Foster Care
3.4	3.7	Employment Readiness
3.1	3.9	Army Family Team Building (Headquarters)
4.3	4.8	Relocation Readiness
6.3	6.5	Financial Readiness
2.4	6.7	Exceptional Family Member Program
0.3	7.9	Deployment Mobilization
7.7	8.2	Family Advocacy
0.1	9.3	Army Family Action Plan/Army Family Team Building
21.0	25.1	ACS Base
\$55.7	\$84.2	Total

Figure 5-1

Overall FY03 OMA execution was \$84.2M (Figure 5-1)—a 51 percent increase compared to \$55.2M in FY02. Execution in FY03 was an overall 116 percent.

The ACS Performance Awards recognize individual and installation ACS efforts and demonstrate support and appreciation of the ACS team (Figure 5-2). Within each award, there are categories for large, medium, and small installations.

ACS Performance Awards	
Outstanding Individuals	
Small Installation	Vicki Mullen (Employment Readiness, Fort Belvoir, Va.)
Large Installation	Yong Ju Relaford (Financial Readiness, Fort Stewart, Ga.)
Sterling Performance	
Small Installation	Joan Cole (ACS Director, Fort Dix, N.J.)
Medium Installation	Patricia Lamson-Poeschell (Empl Readiness, Schweinfurt, Germany)
Large Installation	Susan Wilder (Mobilization and Deployment, Fort Stewart, Ga.)
Excellent Installations	
Small Installation	Fort Dix, N.J.
Medium Installation	Schweinfurt, Germany
Large Installation	Fort Stewart, Ga.

Figure 5-2

Army Operations Support

ACS centers worldwide have actively supported Soldiers and families since the beginning of Operations Noble Eagle, Enduring Freedom, and Iraqi Freedom. ACS staff at power projection platforms support Soldier Readiness Processing Centers by talking with Soldiers as they process through to identify family concerns. Staff members provided pre- and post-deployment briefings and training for Family Readiness Groups, Family Readiness Liaisons, and Rear Detachment Commanders by conducting 4,200 sessions for nearly 400,000 Soldiers and family members. Twelve installations established Family Assistance Centers—many operating on a 24-hour basis. Others expanded operating hours and activated toll-free telephone numbers to facilitate assistance to families. The National Guard established Family Assistance Centers in all states and territories as deployments dictated.

ACS centers continue to improve family assistance plans, conduct family assistance center exercises, and participate in interservice family assistance committees. ACS participates in the Deployment Cycle Support Program by conducting reunion training sessions for families prior to unit redeployments. Army One Source supplements existing family programs by augmenting outreach to families off the installation, information and referral services, and providing prepaid counseling anywhere Soldiers and families live through toll-free telephone and internet access.



Sgt. Matthew B. Geoffroy, with the 4th Infantry Division, 220th Field Artillery, Fort Hood, Texas, is welcomed home from Operation Iraqi Freedom by his wife Crystal.
- Photo by Grazyna Musick



Charleston, S.C., shows support for U.S. Armed Forces personnel at the Joe Riley baseball stadium.
- Photo by Staff Sgt. Dominic Hauser



AFAP conference work groups evaluate issues from installations.
- Photo by Don Parker



Grace Smith introduces CSM Clifford West at AFTB training at the Sergeants Major Academy.
- Photo by Hank Babb

Army Family Action Plan

"We find ourselves in the AFAP 20th year, supporting an Army at war. At no time in my recent memory has a program like AFAP been more important to the overall success of our Army."

- General George W. Casey, Vice Chief of Staff, Army

The success of the AFAP at the Department of the Army level is a direct result of the hard work and dedication of program managers who administer local programs, making the most of limited resources to "get the word out" about the AFAP program's ability to influence and improve Army standards of living. Local program managers solicit issues throughout the community, both on- and off-post, and their enthusiasm for and professional execution of AFAP reaps outstanding results. Symposia held at camps, posts, and stations worldwide generate issues that filter through the process to major Army commands and eventually arrive at the HQDA AFAP conference every November.

The AFAP celebrated its 20th anniversary at the annual HQDA conference in November 2003. Delegates representing every demographic segment of the Army addressed more than 100 issues related to family support, force support, logistical support, employment, entitlements, and medical/dental. Conference delegates provided direct feedback to senior Army leadership, culminating in a final briefing to the Vice Chief of Staff, Army at a conference report-out session.

Program accomplishments for FY03 include initial publication of Army Regulation 608-47, The Army Family Action Plan. In addition to this milestone, one key AFAP issue was resolved in the FY03 National Defense Authorization Act. The NDAA eliminates a Veterans Administration disability offset of military retirement pay (concurrent receipt) for career Soldiers with 20 or more years of service (including disability retirees) for the portion of their VA service-connected disability compensation based on combat disabilities.

Over the past 20 years, AFAP has raised 562 issues, which resulted in 82 changes to legislation, 130 revised policies, and 140 improvements to programs or services.

Army Family Team Building

AFTB first emerged in 1994 as a family readiness training program, providing Active, Guard, and Reserve family members with the information, knowledge, and skills needed to be self-reliant by using existing community support programs. AFTB is a volunteer program—designed and written by and for volunteer family members and managed by volunteers to the greatest extent possible.

The AFTB train-the-trainer approach is very effective: DA certified core instructors train and certify volunteer Master Trainers. Upon certification, core instructors incur a two-year commitment to AFTB. Master Trainers incur a one-year commitment to the program and are required to return to their military communities to recruit family member volunteers and train instructors to teach AFTB levels I, II, and III curriculum. Family member training consists of more than 40 modules of instruction organized into distinct levels (I, II, and III). Modules are designed to teach family members the Army's culture, the life skills needed for independence and self-sufficiency, and to prepare volunteers and family members for leadership roles in the community. Research shows that AFTB offers the single most accessible and far reaching training that families can receive.

In FY03, the AFTB program certified 250 master trainers and trained 30,000 family members at installations and military communities. Since 1994, AFTB has certified 5,500 master trainers. On-line training for Levels I and II in English and Spanish through AFTB NetTrainer has steadily increased and benefitted geographically dispersed family members. In FY03, 12,000 students completed or were enrolled in NetTrainer courses.

The ACS Accreditation Program ensures that installation AFTB programs possess and maintain the level of quality performance specified by standards established by the MWR BOD. In addition, AFTB announced its first DA Regulation—AR 608-48—that clarifies the overall scope of the program and outlines command responsibilities for this multi-faceted training program.

Program goals for FY04 include continued recruitment and training of volunteers; updating Level I, II, and III curriculum; rolling out a Level IV NetTrainer course in English and Spanish; and increasing AFTB participation by junior enlisted and officer spouses by 25 percent.

Army Community Service

Employment Readiness

In FY03, the Employment Readiness program served 411,385 worldwide clients. Job search and career assessment counseling was provided to 45,772 clients (6,300 Soldiers, 25,199 family members, 5,127 DoD civilians, 2,736 retirees and 6,410 other), and job skills training to 21,516 clients. The program made 55,930 job referrals and helped secure paid employment for 8,936 family members, bringing in a revenue of \$186M to Army households—a very high return on Army dollars given total program funding of \$3.7M.

In July 2003, the Employment Readiness Program Managers' Course was taught at the MWR Academy to ensure standardized services across the Army. In March 2004 the DoD Spouse Employment Summit and the Association of Job Search Trainers will hold annual conferences to help ERP managers keep abreast of new and upcoming initiatives in DoD and of new services and programs in the career and job search profession.

In October 2003, at the annual conference of the Association of the United States Army, the Army Spouse Employment Partnership was unveiled with a statement of support signed by the Army, 13 corporate partners and 2 military partners. The partners are: AAFES; BellSouth; Computer Sciences Corporation; CVS Pharmacy; Dell, Inc.; Hospital Corporation of America; Lockheed Martin, Corp.; Manpower, Inc.; Sprint; Boys and Girls Clubs of America; Home Depot; Sears Logistics Services, Inc.; Merck and Co.; Army Career and Alumni Program; and Civilian Personnel.

The Army Spouse Employment Partnership will meet in March and June 2004 to continue facilitating the employment of Army spouses.

Exceptional Family Member Program

The EFMP works with other military and civilian agencies to provide community support, educational, medical, housing, and personnel services to families with special needs. In FY03, 48,809 sponsors and 62,974 family members were enrolled in the program. The program provided education, training and briefings for 98,819 individuals, conducted recreational and cultural programs for 25,621 individuals, and made 931 respite care placements.

Mobilization and Deployment

Commanders identify family readiness as a critical need through predeployment, sustainment, and postdeployment phases. The goal is to enable families to function successfully within the Army support network at a time when lengthy deployments are common. Self-reliant families use Army support programs and can handle the challenges of planned and unplanned separations.

Family Readiness Groups have proven invaluable to Rear Detachment Commanders in maintaining contact with families while Soldiers are deployed. Due to the length of deployments, Army leadership provided \$12.1M in Global War on Terrorism funding to MACOMs with deploying forces to hire FRG Deployment Assistants who will assist volunteer FRG Leaders with administrative and logistic requirements.

Operation READY (Resources for Educating About Deployment and You) materials on the Army MWR web site are available in English, German, Spanish, and Korean. Modules include a leaders' desk reference for Soldier and family readiness, a "Survival Guide" for families, handbooks for Family Assistance Centers, Family Readiness Groups and Rear Detachment Commander training, and children's deployment activity books.

New Parent Support Program

At 28 installations, the NPSP serves service members and their spouses who are parents of infants and children. The "Standard" program provides information and referral to military and civilian programs that focus on family life education, parenting programs, psycho-educational groups, respite care, and supervised playtime for children. The "Plus" program, mandated by Congress, provides families who are at risk for child maltreatment and/or family violence with intensive individualized support services based on a home visitation model that may include role modeling/mentoring, pregnancy and parenting education, and military and civilian referrals.

Family and Victim Advocacy

The Family Advocacy Program provides a resource for commanders and families in the prevention and solution of family problems. The Army is committed to preventing spouse and child abuse and neglect by providing advocacy services to strengthen Army families and enhance family resiliency. The program focuses on the identification of abuse as early as possible, timely reporting, and intervention through rehabilitation and treatment. The FAP coordinates with legal, law enforcement, social service, and medical proponents of family violence on installations, with program responsibilities primarily divided between ACS and Medical Treatment Facility staffs.

Family violence statistics in the Army remained constant with 2,844 substantiated cases of child abuse in FY03 compared to 3,543 in FY98. Given the child population for FY98 (441,694) and FY03 (463,903), the rate of substantiated child abuse decreased from 6.6/1,000 to 5.6/1,000 (based on initial substantiated cases)—much less than the 12.2/1,000 in the civilian community reported by the National Committee for the Prevention of Child Abuse. A comparison of civilian and Army Intimate Partner Homicide trends in the past decade suggests that the Army has done better than the civilian community in preventing male to female intimate partner homicide (Gelles, 2003). There were 3,541 substantiated spouse abuse cases in FY03 compared to 6,174 in FY98. Comparing populations of married persons (Soldiers and spouses) for FY98 (571,769) and FY03 (542,146), the rate of substantiated spouse abuse declined from 8.9/1,000 in FY98 to 5.8/1,000 in FY03. Civilian sector comparisons are not possible, as there is no central database for spouse abuse.

Victim advocacy, an essential component of the FAP, is supervised by installation program managers or through memoranda of agreement or contracts with local civilian agencies or shelters. Advocacy encompasses a range of comprehensive assistance for victims of spouse abuse, including safety planning, crisis intervention, assistance in securing medical treatment for injuries, information on legal rights and proceedings, and referral to military and civilian shelters and other resources. At some installations, trained volunteers provide information and crisis assistance on a 24-hour basis. Victim advocates, in coordination with victim-witness liaisons in installation Staff Judge Advocate offices, assist victims in preparing applications and obtaining legal documentation needed to receive monetary compensation and benefits through such programs as Transitional Compensation and the Office for Victims of Crime.

Army One Source

AOS is a 24-hour, seven day a week free information and referral telephone and internet/Web based service. The service offers six free counseling sessions to active and mobilized reserve component Soldiers, deployed civilians, and their families worldwide. The CONUS number for AOS is 1-800-464-8107. The OCONUS number for AOS is (access code) 800-464-81077 (dial all eleven digits) and is free of charge; if toll free service is not available, calls may be made collect to 484-530-5889.

Transitional Compensation for Abused Dependents

The FY94 National Defense Authorization Act established the TC program for abused dependents of military personnel in order to reduce victim disincentives to report abuse. Legislation authorizes temporary payments, at a rate specified for dependency and indemnity compensation, to families in which the absent Soldier has been discharged administratively or by court martial or has forfeited all pay and allowances in disciplinary actions for a dependent-abuse offense. Payments are for a minimum of 12 months or the unserved portion of the Soldier's obligated active duty service, whichever is longer but not exceeding 36 months. Recipients of TC also have commissary and exchange privileges and are entitled to receive dental care through military facilities on a space available basis and medical care as TRICARE beneficiaries. As a result of increased awareness, the numbers of families receiving benefits increased dramatically since program inception. In FY03, 200 families, including 640 children, received \$3.0M in benefits—\$948 monthly per spouse and \$237 per eligible child in the spouse's care.

Financial Readiness

The Financial Readiness program assists commanders in establishing educational and counseling programs for personal financial affairs. Classes on money management, credit, financial planning, insurance, and consumer issues teach self-sufficiency, reduce indebtedness, and lessen demand for emergency financial aid. As an additional incentive, Soldiers can earn promotion points by completing financial readiness classes provided through ACS. In addition to financial readiness classes, Soldiers can earn promotion points by completing New Parent Support classes, Operation Ready, and AFTB's Level I program, all of which contribute to better informed, self-sufficient individuals.

In FY03, the Financial Readiness Program conducted 13,559 classes and command briefings for 323,174 personnel. The USACFSC also formed a partnership with the Better Business Bureau through a Memorandum of Agreement to facilitate resolution of consumer complaints and ensure that Soldiers and families become smart consumers and understand legal avenues available to them.

Emergency Placement Care

EPC is a voluntary or court-mandated service providing 24-hour care in an EPC family home for children who cannot be cared for by their natural family or legal guardian. EPC is comparable to civilian foster care and civilian respite care programs. Unless specifically exempted, EPC is provided on a military installation or from government-owned or government-leased housing off the installation. The Army EPC program is used at Fort Knox and at OCONUS installations and is intended to provide short-term care—generally not to exceed 90 days for families in crisis—until the situation causing placement is resolved or until longer-term care or placement can be arranged at a CONUS location.

Relocation Readiness

Relocation Readiness focuses on easing the stress of relocation for first-term Soldiers and their spouses. The most widely used service is the Standard Installation Topic Exchange Service. When Soldiers, civilian employees, and their families relocate, SITES provides information about the next duty station and nearby civilian communities and a "real time" welcome packet. In FY03, 790,412 SITES packets were printed and distributed. In FY03, more than 26,093 families used ACS lending closets and 106,426 individuals attended welcome orientations. The USACFSC delivers an annual Relocation Readiness Managers' Course at the MWR Academy.

Army Volunteer Recognition

Emma Marie Baird Award

Geraldine Gordon (Fort Leavenworth, Kan.)
Joyce Mason (Fort Myer, Va.)
Ana Maria Castello-Lopes Despault (Schofield Barracks, Hawaii)

Very Important Patriot Awards

Arlene and Henry Babb (Penn. Army National Guard)
Laura Reed (Fort Hood, Texas)
Keira Jones (Fort Eustis, Va.)
Kimberly Ball (Fort Hood, Texas)
Susan Renninger (Fort Meade, Md.)
Deb Fryar (Fort Lewis, Wash.)

AUSA Rubbermaid Volunteer Family of the Year

McClaran Family (Schofield Barracks, Hawaii)

Figure 5-3

Volunteer Program

The August 2003 Annual Worldwide ACS Directors' Conference focused on "ACS and Volunteers Forging Ahead." Volunteer managers and ACS directors were also trained on a new Volunteer Leader Handbook.

ACS volunteers contributed 451,311 hours of service in readiness areas and thousands more hours in serving other Army agencies and programs. Three exceptional ACS volunteers were presented the prestigious Emma Marie Baird Award for Outstanding Volunteer Service in ACS, an award that memorializes the "mother of ACS:" Ms. Geraldine Gordon of Fort Leavenworth contributed 5,000 hours of service in Relocation and Information, Referral, and Follow-Up; Mrs. Joyce Mason contributed 4,000 hours in Fort Myer ACS programs; and Ms. Ana Maria Castello-Lopes Despault of Schofield Barracks contributed 4,000 hours in Europe and Hawaii assisting with newsletters and newcomer orientations.

The National Military Family Association sponsors an annual Very Important Patriot Awards program. The Army received two of five Very Important Patriot Awards: (1) Arlene and Henry Babb of the Pennsylvania Army National Guard for 30 years of service in National Guard community AFTB and AFAP programs and 3,000 hours of service to Army programs in their hometown, and (2) Laura Reed of Fort Hood, Texas, for 2,600 hours of volunteer service as Red Cross Station Chair, President of the Fort Hood Area Volunteer Child Care Fund, board member of the Band of Angels, and active member of her Family Readiness Group. The Army had two recipients of the VIP Award of Honor: Keira Jones of Fort Eustis, Va., and Kimberly Ball of Fort Hood, Texas. The Army also had two VIP Awards of Merit: Susan Renninger of Fort Meade, Md., and Deb Fryar of Fort Lewis, Wash.

The AUSA Rubbermaid Volunteer Family of the Year Award recognizes an exceptional Army family whose volunteer service contributes to the well-being of the Army and the local community. Staff Sgt. Michael McClaran, his wife, Sheila, and daughter, Kimberly, served their Schofield Barracks, Hawaii community through the Army Mayoral Program, the AFAP, Make A Difference Day, Scouts, the teen center, choir, chorus, and as tour guides.

The goal for Army volunteerism in FY04 is to launch the Army Volunteer Corps and foster volunteerism in the Army, develop standardized training for Volunteer Corps coordinators within the Active, Guard, and Reserve, and develop and promote a culture that values volunteers as equal partners working with paid staff to accomplish the Army mission.

Child and Youth Services



A teen sharpens her computer skills while at the Youth Center.
- Photo courtesy of USACFSC-CYS



A Soldier with the 3rd Infantry Division (M), HHC, 1st Battalion, 3rd Aviation is welcomed home by his family as he is redeployed to Fort Stewart from OIF.
- Photo by Catherine D. Johnson

A primary focus of Child and Youth Services in FY03 was ensuring that the concept of “accountability” became the foundation upon which the program elements of quality, affordability, and availability were based. Significant initiatives were implemented to enhance the productivity and efficiency of CYS operations Army-wide. This emphasis on providing Soldiers and their families with quality, cost effective programs reinforced the intent of Army CYS to sustain itself as a “model for the Nation” for America’s child care and to establish itself as a benchmark for America’s youth supervision options.

Army Child Development Services, School-Age Services, Youth Services, and CYS Liaison, Education, and Outreach Services are a direct mission-related necessity to an Army that is 52 percent married—with an additional 7.7 percent who are single parents. Commanders, as well as their Soldiers and families, consider Army child and youth programs to be an important quality of life and well-being issue.

CYS provides a variety of age-appropriate programs, primarily during parental duty hours. CYS offers a safe and constructive environment that contributes to the well-being of the Army, whether serving infants and young children in Child Development Centers and Family Child Care homes in government housing; school age children in before and after school programs; middle school youth and teens in Youth Centers and Teen programs; or the entire age spectrum through team sports, instructional classes, referral services to off post programs, and school transition support. Success for these programs is ultimately measured by improved Soldier and family readiness and a reduction in lost duty hours due to a lack of adequate child care or to youth misconduct.

The Army serves more than 469,000 eligible children and youth (ages 4 weeks to 18 years old) at 124 locations in 28 States, the District of Columbia, and eight different countries and territories.

Child Development Centers.....	149
Family Child Care Homes.....	2,808
Youth & Teen Centers.....	126
Sports & Fitness Programs.....	80
School-Age Programs.....	136
Instructional Programs.....	72
Outreach Services	85
School Liaison Programs.....	94

The Child and Youth Services Pioneer Award was instituted to acknowledge the significant contributions of individuals who have made Army child and youth programs “a model for the Nation.” The four Pioneer Award recipients for 2003 are:

2003 Pioneer Awards	
Dr. Beverly Schmalzried	HQ, U.S. Air Force
Ms. Patty Shinseki	HQ, U.S. Army
MG Craig Whelden	US Army Pacific
Ms. Carol Owens	26th ASG, Europe

Figure 5-4



A parent volunteers during "family style dining" at her child's Family Child Care home.
- Photo courtesy of USACFSC-CYS



Friends take turns reading to each other while at the Child Development Center.
- Photo courtesy of USACFSC-CYS

Operations Iraqi Freedom and Enduring Freedom had tremendous impacts on child and youth operations in FY03. When released to the field, the CYS Mobilization and Contingency Plan proved a vital planning tool that allowed installations to tailor child care/youth supervision options to meet wartime mission requirements. Operational responses included:

- Adjusting hours of facility operation to support an extended duty day.
- Furnishing more hourly care to support unit deployment briefings.
- Expediting staff recruitment and background check actions.
- Expanding partnerships with 4-H and Boys & Girls Clubs of America to include the children of Guard and Reserve Soldiers at local club activities.

Army CYS helped ensure consistent and predictable delivery of child and youth programs by releasing new automated tools for productivity, cost management, and accountability. Army-wide training on the use of these tools (to determine efficient staffing, revenue projection, and child space availability) was conducted in FY03 and supported the "seamless delivery" approach where managers could more effectively leverage staff, facilities, and funding. Army-wide implementation of these business practices is vital to the goal of resourcing installations by using a "fund by child space" methodology in FY04. All the pieces must be in place to transition CYS programs to the all-NAF workforce as part of the Uniform Funding and Management process and to participate in a DoD initiative anticipated for FY04 to stabilize/support the CYS workforce.

Other program accomplishments for FY03 included:

- Certifying 100 percent of Army Child Development Programs and 100% of Army School-Age Programs by the DoD and 100% of Army Youth Programs (under Army checklist criteria).
- Certifying more than 2,200 Youth Sports & Fitness coaches through 52 active chapters of the National Youth Sports Coaches Association of the National Alliance for Youth Sports.
- Connecting more than 85 percent (155 of 182) of youth technology labs to the internet.
- Launching "Operation Proud Partners", a pilot program pairing five select Boys & Girls Clubs with nearby Army installations in a collaborative effort to make youth development activities available to military-connected youth who live in local communities.
- Conducting six Regional 4-H "101" courses (in conjunction with the U.S. Department of Agriculture) for 180 Army staff in "train the trainer" sessions that focused on Army-wide implementation of 4-H Club programming.
- Monitoring 175,000 Promise Passport volunteer hours, constituting the Army's contribution to the community involvement goal of the America's Promise program.
- Monitoring school system signatories to the Schools and Education Transition Support Memorandum of Agreement that implemented recommendations to improve military students' transition between schools. By FY03, 130 school systems became signatories.
- Monitoring implementation of the "Senior Stabilization" process whereby officer and enlisted Soldiers may request delay of a PCS move for a year to allow a high school senior family member to graduate from the school currently attended. In FY03, 1,292 requests were submitted, of which 1,271 were approved, 20 were disapproved, and 1 was pending.

Community Recreation



Members of 63rd Signal Battalion from Fort Gordon, Ga., play a game of football at Tallil Air Base, Iraq.
- Photo by Staff Sgt. Quinton T. Burris, USAF



Soldiers in the 82nd Military Police Company do some pull ups before going on a jog at Champion Main, Kuwait.
- Photo by Spc. Andrew Kosterman, 49th Public Affairs Detachment (Airborne)

Recreation programs provide a diversion from the rigors of military service, reducing the stress of daily living and enhancing mental and physical fitness. They offer the widest possible opportunity for life skills development, self-expression, leisure and social activities, and mental or physical fitness while in garrison or during contingency/mobilization operations. Recreation programs support mission accomplishment and form an integral part of the non-pay compensation system for Soldiers and their family members.

Army recreation awards celebrate the significant contributions of those professionals who serve Soldiers and their families (Figure 5-5).

2002-2003 Army Recreation Awards			
Outstanding Programs	Small	Medium	Large
Arts and Crafts	Fort McCoy, NWRO	Giessen, EURO	Wiesbaden, EURO
Automotive Skills	Fort McCoy, NWRO	Not awarded	Not awarded
Entertainment	Not awarded	Ansbach, EURO	Not awarded
Library	Not awarded	Giessen, EURO	Fort Lewis, NWRO
Outdoor Recreation	Fort McCoy, NWRO	Grafenwoehr, EURO	Wiesbaden, EURO
Recreation Center	Fort McCoy, NWRO	Vilseck, EURO	Not awarded
Sports and Fitness	Fort McCoy, NWRO	Giessen, EURO	Fort Rucker, SERO
Recreation Delivery System Team	Fort McCoy, NWRO	Aberdeen, NERO	Wiesbaden, EURO
Overall Installation Program	Fort McCoy, NWRO	Giessen, EURO	Fort Benning, SERO
Outstanding Personnel			
Army Recreation Career Award	Daryl Budda	Fort McCoy, NWRO	
Employee of the Year	Reginald Stewart	Giessen, EURO	
Friend of Recreation	Master Sgt. Joseph Lewis	Fort McCoy, NWRO	

Figure 5-5

Support to Operation Iraqi Freedom /Operation Enduring Freedom Deployed Soldiers

During contingencies and wartime operations, MWR is a mission-essential activity necessary to maintain physical fitness and to alleviate combat stress by temporarily diverting Soldiers' focus from combat situations. Commanders of deployable units are required to ensure that MWR requirements are planned for in peacetime and included as a priority in the mobilization/deployment process.

The USACFSC Community Recreation staff coordinated with the Coalition Forces Land Component Command and the Combined Joint Task Force - 7 for MWR requirements. In FY03, \$13.5M in MWR equipment, supplies, and services was purchased/delivered to Iraq to meet commanders' requirements and improve quality of life services for Soldiers and civilians deployed in support of OIF/OEF.

Personnel from the USACFSC traveled to Kuwait and Iraq in April-July 2003 to assist commanders in identifying MWR requirements and to develop and implement an action plan. Soldiers identified their top MWR priorities as the ability to communicate with family and friends, visual entertainment (books, electronic games, live performances, and movies), and access to physical fitness equipment.

In conjunction with the Space and Naval Warfare Center Europe, the USACFSC purchased equipment and commercial site licenses for 32 internet cafés (with 20 computer stations in each café) for facilities in Iraq. The cafés provide free access to email, distance learning opportunities, and internet services for every major troop site in Iraq.

Centrally purchased equipment enabled the command to establish fitness and recreation facilities at 25 large and 17 small sites in Iraq and three major and five remote locations supporting operations in Afghanistan. The recreation facilities include movie theaters with free popcorn, electronic game stations, traditional board games, ping-pong, and paperback libraries. Fitness facilities are equipped with self-powered aerobic machines, dumbbell sets, Hammer Strength cardiovascular and strength-training equipment, and assorted free weight equipment.

Every month 800 paperback book kits are delivered to units in support of OIF/OEF. In-country sources confirm receipt of monthly deliveries of new audio books, magazine subscriptions, music CDs, and copies of the Army Times.



Delegates from the Korea Regional BOSS workshop get behind the bars in the jail of the Korean Folk Village, May 1, 2003.
- Photo by Sandy Nordenhold



"Life is Short—Paddle Hard!" is what the BOSS rafters from Fort Gordon, Ga., seemed to be shouting.
- Photo courtesy of Fort Gordon MWR

Better Opportunities for Single Soldiers

The BOSS program supports both the chain of command and the well-being of single and unaccompanied Soldiers. For Army leadership, BOSS helps to identify well-being issues and concerns and provides recommendations for improvement. For Soldiers, BOSS helps them to identify and plan recreational and leisure activities, and provides them opportunities to participate in community services on and off the installation. As an integral part of the Army's recreation program, BOSS uses the recreation delivery system to build demand-driven programs for its patrons. The BOSS News & Views publication was updated to an eZine.

Supporting troops deployed in OEF/OIF took priority in 2003. Installation BOSS programs gathered local resources and partnered with other agencies to conduct letter-writing campaigns and collect donated goods to be sent downrange to the troops. BOSS Councils formed in Mosul and Tikrit to raise morale began by organizing sporting tournaments and community service projects. BOSS programs back on installations that had deployed troops continued to operate, servicing Reserve units manning the installations and other Soldiers still on the installation.

Training continued in 2003 via rejuvenation and regional workshops and the annual Army-wide BOSS workshop. These events focused on establishing and maintaining partnerships with MWR and other installation services. Workshops give Soldiers a tangible avenue to have their voices heard. The most successful BOSS councils are at installations where key personnel—Senior NCO, MWR Advisor, and the BOSS Council—work as a team.

Successful BOSS teams were easily spotted at the annual conference, where installation teams underwent timed team-building exercises. The theme of the 2003 conference was, "Building Tomorrow's Leaders Today." Attendees got "back to basics" training in meeting coordination, financial awareness, personality trait awareness, and conflict resolution. This conference marked the last appearance of Sergeant Major of the Army (Ret) Jack Tilley, who fielded questions and braved a long line of Soldiers waiting for photo opportunities with the Army's top NCO. The conference concluded with an awards ceremony and presentation of a digital camera to each BOSS Program to document installation activities.

Outdoor Recreation

Outdoor recreation continued to be a popular outlet for Soldiers, family members, and civilians, with participation increasing both in FY02 and FY03. The correlation between outdoor recreation and the military mission is based on elements of adventure, wellness, and fitness. Installation outdoor recreation staffs provided a wide variety of high-quality equipment and a wide range of introductory classes and specialized programs to meet customer needs and interests. The trend towards high adventure and wilderness activities continues to draw young Soldiers and youths faster than any other user groups. Programs such as geocaching, rock climbing, and white-water rafting topped the list of Soldier interests. Installation ODR programs continued to support families of deployed soldiers by offering programming that met their varied needs and schedules.

Geocaching—quickly becoming a very popular program—is an entertaining adventure game for users of Global Positioning Systems. The basic idea is to have individuals and organizations set up caches all over the world and share the locations of these caches on the internet. GPS users can then use the location coordinates to find the caches. Once found, a cache may provide the visitor with a wide variety of rewards or simply the opportunity to sign a register book that proves "I was there."

The third group of a dozen Recreational Vehicle and Campground managers completed training in FY03 which leads to becoming Certified Park Operators. The Army now has 39 managers that have completed such training, ensuring a higher quality of programs and services for their customers at Army recreational vehicle parks and campgrounds.

The 2003 Outdoor Recreation Training Conference was conducted 21-25 July, at Fort Lewis, Wash. Ninety-four installation and regional personnel attended three days of interactive classroom instruction and two days of activity specific training, leading to nationally recognized certification in either the Leave No Trace or the Wilderness First Aid programs. As a result of the geocaching session, many installations have begun offering instruction in this fun and exciting activity.

Community Recreation



Army World Class Athlete Program Soldiers: (Left to Right) Sgt. Dremiel Byers is thrown to the mat by Spc. Paul Devlin; Staff Sgt. Basheer Abdullah, named head coach of Team USA's boxers for the 2004 Olympic Games, works with Staff Sgt. Charles Leverette; 1st Lts. Chad Senior and Niul Manske square off in the fencing portion of the men's 2003 U.S. National Modern Pentathlon Championships; and Sgt. Petra Kauai kicks her way to a bronze medal in the 2003 U.S. Senior National Tae Kwon-do Championships.

- Photos by Tim Hipps, USACFSC Public Affairs

Sports and Fitness Programs

All-Army Sports

Soldier-athletes in the All-Army Sports Program enjoyed another successful year by dominating Armed Forces team and individual sports competitions. All-Army teams took 1st place honors in eight of fourteen Armed Forces Championships.

- The All-Army boxing team won its 17th consecutive Armed Forces Championship. Team members boxed their way to seven gold and two silver medals.
- A muddy course in Houston, Texas, did not slow down the All-Army cross-country team at the Armed Forces-USA National Cross-Country Championship. The team took 1st place in the Championship; 3rd place in the men's 4K nationals; and placed one runner on the USA National team and 10 runners on the U.S. Armed Forces Conseil International du Sport Militaire team.
- The All-Army wrestling team successfully defended its 2002 Armed Forces title. Army wrestlers won two Greco-Roman gold medals and six of seven freestyle gold medals.
- The All-Army women's basketball team won its twenty-second Armed Forces Championship since its inception in 1978. Three Soldiers earned All-Tournament honors and went on to lead the Armed Forces team to a 2nd place finish in the National Women's Pro-Am Basketball Championship.
- The All-Army Tae Kwon-do team dominated the Armed Forces Championship. Army women won two gold medals and the men won six gold medals. At the U.S. Tae Kwon-do Union National Championship, the men won gold and bronze medals, while the women won two bronze. At the CISM Tae Kwon-do Championship in Zagreb, Croatia, the women brought home two silver medals and the men two bronze.
- All-Army teams rounded out the year with 1st place finishes in Armed Forces triathlon, men's softball, and rugby.
- The championship streak was interrupted when the All-Army bowling team came up several pins short and had to settle for 2nd place at the 2003 Armed Forces Bowling Championship.
- All-Army teams finished 2nd in Armed Forces men's soccer, men's basketball, women's softball, and marathon. The 2003 Armed Forces Women's Soccer Championship was canceled; however, the Army placed two women on the CISM women's soccer team. The team went on to win the 2003 CISM Regional Women's Soccer Championship.
- The 3rd CISM Military World Games—often referred to as the Military Olympics—were held in December 2003, in Cantania, Italy. The U.S. Armed Forces delegation of 125 athletes, coaches, and officials participated in nine of thirteen sports, with 25 Soldier-athletes as delegates. The athletes performed well, but the medal count for the U.S. Armed Forces was low. The men's pentathlon team (two Soldiers and one airman) won a gold medal for the U.S., but there were only three other medals: a bronze medal in the men's 50M butterfly won by a Soldier and a silver and bronze in track won by an airman.

World Class Athlete Program

The primary focus of the Army WCAP in FY03 was to prepare for the Pan American Games and to begin the qualification process for the 2004 Olympic Trials. Seven WCAP Soldiers competed at the Pan American Games in August 2003 in Santo Domingo, Dominican Republic. The highlight of the competition was the Modern Pentathlon, where 1st Lt. Anita Allen captured a gold medal and became the first Soldier to earn a space on the 2004 U.S. Olympic team. Pfc. Tina George captured gold in women's wrestling (55kg)—the first time that women's wrestling has been competed at the Pan American Games. First Lt. Chad Senior rounded out the medal count with a silver in Modern Pentathlon. Three WCAP Soldier-coaches were named as 2004 Olympic team coaches: Staff Sgt. Basheer Abdullah was selected head coach of the U.S. Olympic Boxing Team; Staff Sgt. Shon Lewis joined the Olympic Wrestling Team's coaching staff; and Maj. David Johnson was named rifle coach of the Olympic Shooting Team.

Soldier-athletes participating in WCAP captured 266 medals at National and International competitions in 2003:

Boxing: Spc. Keith Mason (141 lbs) won the U.S. National Boxing Championships in March; in April, the WCAP boxing team won the Team Championships at the Colorado State Golden Gloves.

Judo: Staff Sgt. Mike Preiditus won a bronze medal in the 100kg weight category at the 2003 U.S. National Judo Championships in April.

Pentathlon: Spc. Mickey Kelly captured the U.S. Modern Pentathlon Women's National Championships in June. First Lt. Anita Allen took bronze in the same competition, while team-mate 1st Lt. Chad Senior captured silver in the men's competition. Spc. Kelly also won the women's division of the Armed Forces Cross Country championships later that month. 1st Lt. Senior, Sgt. Scott Christie, and Air Force teammate 1st Lt. Eli Bremer captured a team gold medal at the World Military Games Modern Pentathlon competition in December.

Rowing: First Lt. Matthew Smith rowed with the U.S. Men's Lightweight Four Shell to win bronze at the 2003 World Cup in August.

Swimming: Capt. Joe Novak won the only U.S. medal in swimming at the 2004 World Military Games in December, capturing bronze in the Men's 50m. butterfly competition.

Tae Kwon-do: WCAP Tae Kwon-do fighters brought home four medals from the U.S. Tae Kwon-do Union's National Championship in May: Sgt. David Bartlett won gold in the men's featherweight division, and Spc. Louis Torres, Sgt. Yelena Pisarenko, and Sgt. Petra Kauai captured gold in their divisions. At the American Amateur Union's National Championships in July, Sgt. Darrell Rydholm and Pfc. Casey McEuin won the championships in the men's middle and welter weight divisions and Spc. Jay Utter took home silver in the welter weight division.



(Left to Right) Army World Class athlete Sgt. Keith Sieracki (photo by Tim Hipps, USACFSC Public Affairs); the 4th of July picnic and pool party at Coalition Provisional Authority HQ in Baghdad (photo by Staff Sgt. Conrad College, 372nd MPAD); Sgt. John Nunn, Army World Class Athlete, is an Olympic hopeful in race walking (photo by Tim Hipps).

Track and Field: At the March 2003 U.S. Track and Field Indoor National Championships, Spc. John Nunn captured a silver medal in the 5000m. racewalk and Pfc. Pamela Simpson captured bronze in the women's long jump. Pfc. Simpson later won bronze in the 20km. racewalk at the USATF Outdoor National Championships in June. Spc. Al Heppner took the silver medal at the National 15 km Racewalk Championships in May, followed by a silver medal at the National Two Hour Racewalk Championships in July.

Wrestling: The WCAP wrestling team won Team Championships in both freestyle and Greco-Roman styles at the April 2003 Armed Forces Championships. The team later captured seven medals at the U.S. National Wrestling championships in May. Sgt. Keith Sieracki won his fourth national title at 74kg (Greco-Roman). Sgt. Dremiel Byers won his second national title at 120kg (Greco-Roman). Staff Sgt. Glenn Nieradka and Pfc. Tina George captured silver in their weight classes, and Spc. Glenn Garrison, 1st Lt. Dominic Black, and Pfc. Iris Smith all took bronze. The team went on to capture eight medals at the World Team Trials: Pfc. George won gold; Staff Sgt. Nieradka, Sgt. Sieracki, and Sgt. Byers won silver; and Sgt. Jason Kutz, 1st Lt. Black, Spc. Anthony Gibbons, and Spc. Paul Devlin won bronze.

WCAP Soldiers traveled across the country to support Total Army Involvement In Recruiting missions, conducting school presentations, displays, community events, Delayed Entry Program functions, and autograph sessions. WCAP athletes also maintained Soldier skills. At Staff Sergeant/Sergeant promotion boards, 21 WCAP Soldiers were recommended for promotion. Twelve WCAP Soldiers graduated from Primary Leadership Development Course and four from Basic Noncommissioned Officers Course. WCAP Soldiers also won five Noncommissioned Officer and Soldier of the Quarter competitions.

Fitness and Aquatics

A DoD Business Initiative Council review seeks to improve inadequate fitness facilities. The review uses a "tool box" approach to deliver fitness and sports programs at fitness facilities on 127 installations. The OSD contracted with the Logistics Management Institute to analyze potential options in the "tool box," including renovation or replacement using military construction, public-private ventures, consolidation of facilities, individual installation contracts, and paid memberships in local fitness centers. The OSD will host a Joint Services Session in February 2004 to identify options to test at four volunteer installations.

In conjunction with the BIC initiative, the USACFSC is working with OACSIM to crosswalk the real property on-hand inventory, ISR ratings, and MWR Baseline Standards for fitness facilities. This crosswalk will give commanders an integrated snapshot of the status of fitness facilities and programs. Installations were asked to validate ownership of all fitness facilities against official

HQDA records, and the Southeast Region volunteered to test the integrated database.

Another aspect of the DOD BIC initiative focuses on centralizing fitness equipment procurement. Using MWR USA funding procedures, the USACFSC has negotiated contracts to provide volume price reductions and delivery efficiencies. Centralized management and standardization of programs, purchases, and delivery are prime directives of the Installation Management Agency. A centralized procurement process will become a required "good business" practice.

The USACFSC manages the HQDA Fitness and Health Partnership and Integration Working Group. Formed in response to DoD and CSA Well-Being initiatives, the group seeks to integrate and partner health promotion, unit fitness, and MWR fitness and sports activities, facilities, and programs. Representatives include the Army Physical Fitness School and the Army Center for Health Promotion and Preventive Medicine, with consultation from the Office of the Surgeon General, Army Reserve Medical Corps, Army Safety Office, Army G-1, and Army G-3. The group is considering the benefits of collocating services in Army fitness centers to better reach and serve Soldiers and families.

New policy guidance for the Army Civilian Training, Education, and Development System requires that all ACTEDS elements be updated and standardized, to include the identification of job competencies needed to develop career ladders, training plans, and job descriptions. The USACFSC is reviewing applicable staffing and training benchmarks set by DoD, DA, and industry.

The USACFSC held training for 80 aquatic personnel from all Regions in conjunction with the Athletic Business Conference in Orlando, Florida. Training focused on a National Recreation and Park Association course leading to Aquatics Facility Operators Certification, an American Red Cross Aquatic Management course, and attendance at the Athletic Business Conference. A new lifeguard and aquatic facility training system, developed by the USACFSC, was also taught at the conference. This training system, tested and well-received at three installations, is a critical tool to increase patron safety at installation pool operations.

Other initiatives for FY03 included the following:

- Updated three standardized NAF position descriptions utilized by all installations to hire lifeguards.
- Updated the aquatic section of AR 215-1 to ensure current terminology and standardization across the Army.
- Coordinated with DOD aquatics proponents to develop overarching DOD standards to ensure safe and effective operations.

Community Recreation



The Army Concert Tour visited 11 CONUS installations with a diverse line-up of country, classic rock, alternative and R&B talent, from Ted Nugent at Redstone Arsenal (left), Ashanti at Fort Gordon (middle); and Mark Chesnutt at Fort Leonard Wood. - Photos by Kristen Campbell and Sgt. Kenneth Matthews, USAFCSC

Entertainment

"Entertainment for the Soldier by the Soldier"

Installation entertainment programs grew for the sixth consecutive year with the addition of two new programs at Kaiserslautern and Schweinfurt, and a new theater facility at Garmisch, Germany. The U.S. Army Entertainment Division also assisted in renovating a new Theatre Activities Center at Fort Carson, Colo. Direct support of field activities through the Army Royalty and Copyright Clearance Program returned to pre-9/11 levels with a \$100K increase from FY02 as installations found new ways to overcome security challenges and massive deployments to reestablish successful programs.

The 2003 U.S. Army Soldier Show celebrated its 86th anniversary with the theme, "Legacy." The show staged 93 performances at 56 locations in CONUS and Korea, entertaining over 94,000 patrons. The show also traveled to USNB Guantanamo Bay, Cuba, to support joint operations of the Global War on Terror.

The BRAVO! Army Theatre Touring Company produced its third production with the original "Lift Up Your Hearts America!" The Soldier cast and crew entertained over 5,500 patrons at 75 performances at CONUS and European installations, and worked with over 1,800 school children through "Arts In Education" performances.

The USA Express program fielded two units of military entertainers touring for two and one half months each. Unit 1 traveled to the Pacific Region to tour Korea, Japan, Hawaii, and Alaska. Unit 2 deployed to Southwest Asia in support of OIF/OEF, performing at 21 bases and field sites.

The Army Entertainment Competitions Program recovered from 9/11 cancellations in FY02 by conducting two major Army-wide contests and providing direct support for five regional competitions in the performing arts. The All-Army Battle of Bands at Fort Jackson, S.C., 4-5 October 2002, was represented by bands from five IMA-Regions, with Fort Hood, Texas, taking "Best of Show" honors. The 2003

"Stars of Tomorrow" Entertainment Contest held at Fort Belvoir, Va., in November showcased 24 Soldier participants representing the best amateur talent in the Army. The contest was officially renamed "The Margaret 'Skippy' Lynn Stars of Tomorrow Entertainment Contest" in honor of Army Entertainment's founding director, Margaret 'Skippy' Lynn. Category and overall winners in both competitions received monetary awards for their installation BOSS and entertainment programs.

The Army Community Entertainment Program also participated in the American Association of Community Theatres' National Festival in Torrington, Conn., in June 2003. Representing the Army was the AACT Region 10 winner, Ansbach's Terrace Playhouse from IMA Europe, with a production of "Wanda's Visit."

The Army Concert Tour presented 11 "big-name" concerts at CONUS installations with a diverse line-up of country, classic rock, alternative, and R&B talent. The artists included Lonestar, Brad Paisley, Lee Ann Womack, The Rockin' Road House Tour, Trace Adkins, Cheap Trick, Ted Nugent, Tonic, Mark Chesnutt, and Ashanti. The Army Concert Tour entertained more than 40,000 people and generated \$281K for local quality of life programs. In seven years, the Army Concert Tour program has generated \$3.3M for Army MWR and entertained more than 340,000 fans while bringing quality entertainment to installations across the country.



Spc. Vanessa Bradchulis of BRAVO! Army Theatre Touring Company in The Farley Family Reunion, performed in Saddam's Palace for deployed Soldiers. - Photo by Sgt. Tobin Atkinson

The USAED Special Events program provided entertainment at four installations. In May, country superstar Tim McGraw provided a free show to more than 20,000 service members and their families at Fort Carson, Colo. and raised approximately \$17.5K for the local MWR program. Fort Hood, Texas, hosted an indoor hip/hop concert in August, featuring up and coming artist, "Floetry." Fort Knox, Ky., partnered with the USAED to produce its first concert in seven years. To close out the fiscal year, the USAED teamed up with Fort Stewart, Ga., to produce a concert featuring Jo Dee Messina and Sinbad to welcome home troops from the 3rd ID.



A Soldier of 2nd Brigade 101st Airborne Division (Air Assault) in Mosul, Iraq, uses internet services at the MWR center to keep in touch with his family during OIF.
- Photo by Pvt. Daniel D Meacham



Maj. Jefferson D. Davis, Special Operations Command, reads a book at Kandahar Air Field while waiting for his flight to Bagram Air Field, Afghanistan.
- Photo by Master Sgt. Greg M. Kobashigawa, USAF

Libraries

The Army MWR Library Program provides knowledge services anytime, anywhere. Up-to-date collections support Army and organizational missions, leisure needs and off-duty education. Using electronic resources and in-house materials, information is available in a variety of formats 24 hours a day, 7 days a week. Facilitated by USACFSC central purchases, full-text online commercial databases are accessible through the Army Knowledge Online portal and individual library web pages. Using AKO, Soldiers can, at anytime, access databases from home, the office, or while deployed to Iraq, Kuwait, or Afghanistan. Additional reference support to Soldiers is available through library participation in the Army-wide 24/7 "Ask a Librarian" service on the Defense Digital Library Research Services website where Soldiers can post reference questions to the web site and receive responses from libraries that have been profiled.

Central purchase of reference material and paperback book kits deliver critical information resources to communities and boost the morale of deployed Soldiers. Collectively, savings to the Army in FY03 from central purchases was \$12.2M—a savings of 63 percent over original costs. Similar savings were accorded the Marine Corps and the Navy through an interservice support agreement with Army paperback book kit program. A recent BIC initiative focuses on implementing an e-content enterprise purchase and licensing process within the DoD for greater quantity savings across the services; the DoD would not fund purchases but stresses the savings value of enterprise-wide purchasing.

Reading rooms/areas and contingency libraries support Soldiers assigned to remote locations, including combat and peace operations. Reading rooms primarily contain paperback book kit titles, while contingency libraries contain hardcover and paperback

books, computers for email and internet access, magazines, best sellers, online database services for education support, and titles from the CSA's recommended reading list. A simplified automation system within contingency libraries supports internal processes such as circulation and an automated catalog. Two contingency libraries are available in Bosnia and two in Kosovo. Additional services are provided for Soldiers supporting OIF/OEF, to include a monthly magazine kit, newspapers, audio books, music CDs, and paperback books.

The FY03 assessment of MWR Baseline Standards determined that most libraries are red in the critical areas of staffing, training, materials resources, and automation. POM input has been prepared to position dollars in the out-years to bring libraries up to core standards. Results from the Baseline Standards are also imported into the Installation Status Report—another tool for commanders to evaluate programs.

A new web-based statistics reporting system—the Measurement, Tracking, Information, and Collection System—collects and stores data on Army library collections, resources, services, automation architecture, and usage. The system includes data on all Army libraries; the general library program has data access by installation, region, and total program consolidation.

Competitive developmental assignments were available for librarians throughout the year using Army Civilian Training, Education, and Development System funds. Meetings of the Army General Library Steering group were curtailed until regional library staffing is complete. Future agenda items include library certification/accreditation, central integrated library systems, UFM, and a library program manager's course.

Community Recreation



The 2003 All-Army Chess Team at the Interservice Chess Championships, Camp Lejeune, N.C.
- Photo by Kris D'Alessandro

Information, Ticket & Reservation Offices

Army ITR operations suffered several negative impacts on revenue and profit in 2003. The first was OPTEMPO and deployments in support of OEF/OIF, followed by widespread public relations campaigns that provided free or discounted admission to Soldiers and family members at Walt Disney World®, Disneyland®, Universal Studios Hollywood®, Universal Studios Florida®, and at six major theme parks operated by Anheuser-Busch (Sea World®, Busch Gardens® and Sesame Place®) from early May through December. This was the second year that free admission policies of these parks negatively impacted ITR sales revenue. One positive factor in 2003 was the continued growth of cruise sales at selected ITR locations. Additional revenues in the form of commissions from cruise sales made a substantial contribution toward offsetting lost ticket revenues.

In 2003, commercial travel offices in CONUS continued a decade-long decline. In December, Carlson Wagonlit Travel, the dominant provider of official travel on most CONUS Army bases, closed their leisure department and terminated most installation leisure contracts. At the start of 2003, 25 offices had leisure commercial travel offices, but by December only 17 remained. This number may fall to a dozen in the next year. Surveys and observation indicate that more than fifty percent of today's Soldiers purchase air travel arrangements on-line.

In September 2003, the USACFSC and SatoTravel worked to support R&R leave for OIF Soldiers. Five USACFSC employees traveled to Kuwait in direct support of the program, while others at the headquarters coordinated airline waivers, negotiated airport hotel discounts, and contracted commercial lodging for exigencies. Operations began 25 September and continued to 31 December. The Army provided Soldier transportation on commercial chartered aircraft from Iraq to the R&R tent at Camp Wolverine, a marshalling site at the edge of Kuwait City International Airport, where more than 30,000 Soldiers purchased tickets for connecting CONUS flights. Soldiers funded transportation from CONUS gateways to their final leave destination (R&R gateways were Frankfurt, Baltimore, Atlanta, and Dallas). Effective 1 January 2004, the Army began funding 100 percent of R&R leave travel, and USACFSC oversight and operation of the R&R tent passed to the Transportation office.

The USACFSC also implemented the "Operation Hero Miles" program, through which airlines and private citizens donated 400 million frequent flyer miles to provide free airline tickets to Soldiers on R&R leave. This program will continue in 2004, with free tickets used for family members to visit hospitals treating wounded Soldiers and convalescent leave for wounded Soldiers.

Community Recreation Centers

Community Recreation Centers deliver a full range of social, educational, cultural, and recreational opportunities to military communities that promote mental and physical fitness. Installation Community Activity Centers provide a single location for recreation and leisure activities such as arts and crafts, wood crafts, special events, meeting rooms, internet cafés, big screen TV/DVD viewing, board games, chess, darts, billiards, and food and beverage operations. The construction of CACs continues, with several planned projects in Eighth U.S. Army.

The 2003 All-Army Chess Championships led to the re-establishment of the Interservice Chess Competition. In 2003, members of the Navy, Air Force, and Marine Corps vied with the Army for positions to represent the U.S. in the North Atlantic Treaty Organization's Chess Competition. Hosted by the Marine Corps at Camp Lejeune, N.C., the Air Force came in 1st, the Navy 2nd, the Army 3rd, and Marines 4th. The top six individual players from the Interservice combined to form the U.S. NATO Team that competed in Copenhagen, Denmark.

Recreation centers provide efficient and effective programming that meets customer needs. A Learning Resource Network course of instruction—the Program Management Institute—is now offered Army-wide for recreation personnel. Attendees become certified program planners by attending a one-week course offering such topics as finance and budgeting, marketing, promotion, needs assessment, program development, program analysis, pricing, and program management.

A benefits-based recreation programming model can help installation staff to identify, document, and articulate installation social problems. The model can assist the staff in developing unique programs, monitoring and analyzing them for positive results. Outcomes can be measured prior to and following the implementation of a planned program. The USACFSC is coordinating with Clemson University to study the implementation of a recreation benefits-based programming model at Army pilot sites (Hanau and Giessen, Germany; Fort Jackson, S.C.; Fort Carson, Colo.; and Aberdeen Proving Ground, Md.).



At the Camp Humphreys, Korea, automotive skills center, Mr. Chong is ready to help Soldiers fix their vehicles and, when done, direct them to the new car wash.
- Photo by Dan Riley, USACFSC



At the Robinson Barracks arts and crafts center in Stuttgart, Germany, some folks would rather make the "big one" than fish for it.
- Photo by _____

Automotive Skills Program

The Army Automotive Skills program operates 90 facilities with 1,350 indoor and 1,400 outdoor work bays. Most programs operate car wash facilities, and six OCONUS locations provide striping and parts yards. Soldiers clock more than 3.9 million hours annually in automotive skills shops, saving an average of \$40 per hour, or \$156M annually, by utilizing the ability to perform self-directed vehicle repairs.

Training programs delivered by the USACFSC to Automotive Skills program managers included sessions at the Automotive Aftermarket Week event and the Car Care World Expo, both in Las Vegas, Nev. An increasing number of installations have accomplished mechanic certification through the National Institute for Automotive Service Excellence, broadening the expertise of their staffs and increasing the service value to customers. The shop at Vicenza, Italy was recently awarded the ASE Blue Ribbon of Excellence—a first for an Army Automotive Skills facility.

The Fort McCoy Automotive Skills Center was recognized through the Army recreation awards program as the Outstanding Automotive Skills Program of the Year for 2002–2003.

Arts and Crafts

A partnership agreement between the Army and the National Endowment for the Arts has led to the NEA hosting a tour of Shakespeare performances at military installations across the US. A second project with the NEA will bring military-theme writers to Army installations to host creative writing workshops. Both projects will take place in 2004, and plans are being made for further cooperative ventures.

The 2002 Army Photography Contest was hosted by Fort Campbell, Ky., in March 2003. Work entered in the 2003 Army Designer Crafts Competition will be promoted to the new Army Arts and Crafts Competition to be conducted for the first time in 2004.

The Fort McCoy, Wis., and Giessen, Germany Arts and Crafts programs were recognized through the Army recreation awards program as Outstanding Arts and Crafts Programs of the Year for 2002–2003.

Troop deployment to the GWOT in 2003 took a heavy toll on patronage and business activity at many Army MWR facilities, but usage in Arts and Crafts facilities soared. Despite an average drop in business of 19 percent across Army MWR programs in 2003, Arts and Crafts programs experienced growth of nearly 10 percent. The Arts and Crafts program is clearly a high-demand activity, especially when our troops deploy.



Landing in a Snowstorm - Honorable Mention 2002 Army Photography Contest.
- Photo by James Wilkie, Selfridge ANGB, MI.

Business Programs

2003 James A. Carroll, Jr., Awards

Officers' Club	
Azeb Awake	Fort Myer, Va.
Community Club	
Peter Loo	Fort Shafter, Hawaii
Food, Beverage and Entertainment	
Jamie Zawadski	Vicenza, Italy
John Miller	Fort McCoy, Wis.
Theme Concept	
William Miller	Fort Bragg, N.C.

Figure 5-6

2003 Excellence in Management Awards

Golf	
Dale Jorgenson	Camp Zama, Japan
Bowling	
Andrea Cody	Yuma PG, Ariz.
William Foster	Carlisle Barracks, Pa.
Luis Torres	Fort Buchanan, Puerto Rico
James Einhorn	Heidelberg, Germany
Leisure Travel	
Connie Silk	Fort Campbell, Ky.
Most Improved Facility	
Lokesh Singh	Fort McNair, D.C.

Figure 5-7

Themed Food and Beverage Operations

In FY03, 47 Army-branded and 22 Orion Food Systems theme restaurants were open around the world. These restaurants, both full-service and quick-service, meet customer demand for casual dining on Army installations. Total revenue generated for MWR in FY03 exceeded \$19.1M, with an NIBD of \$1.4M.

The newest Army brand, Kid's Zone, will be introduced in August 2004 at the biennial MWR Conference in Denver, Colo. Kid's Zone, developed by USAREUR/26th ASG, is a family, fun-filled entertainment and eating concept featuring Primo's Express. The operation can feature different themed motifs (jungle, outer space, or deep-sea adventure), and includes redemption games, an indoor playground area, and birthday party areas. Three Kid's Zones are operational overseas, with one in design and one in planning. Primo's Express offers pizza, hot dogs, and chicken tenders for the kids, with calzones, hot wings, macho nachos, and more for the adults.

The Name Brand Fast Food program, a joint effort by the USACFSC and the Army and Air Force Exchange Service, enables installations to respond to market demand by offering nationally recognized quick service restaurants in MWR facilities. To date, 43 assessments have been completed, resulting in 24 recommendations for implementation. The first Army NBFF outlet—a Subway sandwich shop—opened in January 2003 at the Walter Reed Army Medical Center, Washington, D.C. Since then, nine additional NBFF outlets have opened, including two units previously operated by AAFES. In FY04, four additional units will open: an A&W Root Beer (Fort Sill, Okla.); a collocated Pizza Hut and Subway sandwich shop (Dragon Hill Lodge, Korea); and a coffee shop featuring Starbucks Coffee (Fort Bliss, Texas). Four more units have been recommended for NBFF and await acceptance from their respective installations.

A name brand casual dining initiative was also developed to meet an increasing demand for sit-down dining and to generate installation revenue. Compass, Eurest Support Services, a franchiser of T.G.I. Friday's, was selected to operate a concessionaire contract for the Army's first casual dining restaurant in Heidelberg, Germany. The store opened on 22 January 2004, and the customer response has been extremely positive. The USACFSC will coordinate with other restaurant companies so that installations desiring name brand sit-down dining will have a variety of choices once the companies are qualified.

Clubs and Food, Beverage and Entertainment

Army CFBE operations are an integral part of business operations in Army communities and contribute essential funding to support installation MWR programs. The Army operates 233 CFBE facilities worldwide with a wide variety of programs and services, enhancing unit readiness and supporting community social needs.

For FY03, the Army's CFBE program (which includes some club facilities that have Army-branded/theme food and beverage operations located within their facilities) recorded NIBD of \$10.9M on net revenue of \$162.0M, for a return of 6.7 percent. The MWR BOD standard for FY03 is a positive 8.0 percent NIBD. Net revenue for CFBE activities decreased \$2.9M, or 1.8 percent, and NIBD decreased \$2.3M, or 17.2 percent, when compared to FY02. Managers are continuing to maintain their overall cost of goods sold at 33.9 percent and actually reduced labor expense to 40.1 percent when compared to FY02. Army Recreation Machine Program reimbursement, down \$1.2M, was the largest factor in the decline of both net revenue and NIBD for the CFBE program for FY03. More and more management effort is directed at reducing and eliminating losing operations. Army benchmarks for food and beverage operations are also evolving, making them more applicable to everyday use and a very useful tool to evaluate and compare programs.



A satisfied Mulligan's patron at Fort Bragg, Texas.
- Photo by Matt Spangler



All-Army Golf Team applicants sharpen their skills on the Fort Jackson driving range.
- Photo by Ben Shumbert



Patrons tally their scores and have a snack at the Fort Hood bowling center.
- Photo by Matt Spangler

Golf

For FY03, the Army's 56 golf courses produced \$5.9M NIBD on net revenue of \$64.2M, a return of 9.1 percent compared to the MWR BOD standard of 18 percent. Compared to FY02, net revenue declined 2 percent (from \$65.7M to \$64.2M) and NIBD declined 17 percent (\$7.1M to \$5.9M).

With competition outside the gates looming large, several other factors also contributed to the financial and operational decline from last year. Inclement weather caused some courses to lose an additional 33 play days from seasons. With some 148,000 Soldiers deployed to Iraq and an attendant increase in operational tempo for those left behind (even family members), there was very little leisure time left for golf (even nine-hole rounds). The Europe, Northwest, Pacific, and Southwest regions and the Defense Logistics Agency all had positive NIBD variances compared to FY02. Greens fees had an increase of \$378K and reflect increased play in regions other than the eastern seaboard.

Texas A&M University again won the contract for the Golf Course Superintendents' Course. Twenty-two superintendents representing all four services registered for training conducted 1-12 December 2003. With funding for course improvements becoming more scarce, Army Day presentations focused on low-cost improvements to military golf courses. The core subjects provided by Texas A&M included agronomy, irrigation, and maintenance planning.

The PGA/Armed Forces Golf Managers' Seminar will be held in Orlando, Fla., 25-28 January 2004 with the PGA Merchandise Show following on 29 January through 1 February 2004. Training provided by the PGA and outside presenters will center on the theme, "Grow the Game." Army-provided training includes a half-day session for the assembled golf managers on "Link up to Golf", a PGA sponsored grow-the-game initiative. Approximately 55 managers and supervisors will attend.

Fort Lee, Va., has joined Picatinny Arsenal, N.J., and Fort Jackson, S.C., in allowing local veterans to play their courses. A similar request from Selfridge ANGB, Mich., is pending approval. This win-win initiative sends a big "Thank You" to veterans for service to their country.

Bowling

The Army operated 104 bowling centers with 1,830 lanes in FY03. Patrons bowled 7.9 million lines to produce \$43.9M in net revenue and \$4.4M in NIBD, or 10.0 percent of net revenue. Lineage dropped 630,986 lines from FY02 due to increased force protection and combat operations. Total lineage consisted of 61 percent - open; 28 percent - league; and 11 percent - tournament and other types of bowlers. During the second quarter of FY03, increased deployments caused the program to begin a financial decline, and the year ended with a \$2.7M decrease in NIBD compared to FY02. The MWR BOD's "green" NIBD standards were "break even" for Category B centers and 18 percent for Category C centers. For FY04, Category B standards remain the same and Category C standards increase to 19 percent.

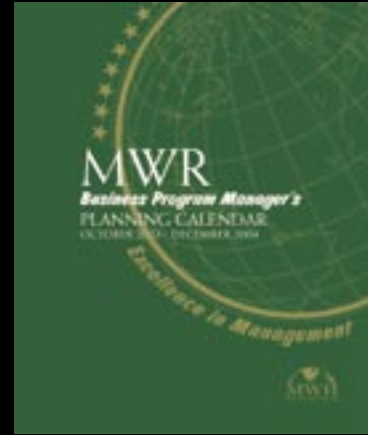
In construction, one new center opened at Fort Hamilton, N.Y., that serves as a community hub and offers state-of-the-art design, glow bowling, party and meeting rooms, computer and office availability, lanes, pinsetters, and the latest in automatic scoring equipment. Projects to modernize or expand centers are underway at Fort Leonard Wood, Mo.; Stuttgart, Germany; Redstone Arsenal, Ala.; Fort Campbell, Ky.; and Camps Humphrey and Carroll, Korea. Five new or renovated centers are also planned for Fort Bragg, N.C.; Fort Gordon, Ga.; Fort Lewis, Wash.; Baumholder, Germany; and Vicenza, Italy. U.S. Army Europe's light and sound modernization plan is ongoing, with phases completed at the German sites of Friedberg, Schweinfurt, Wiesbaden, Dexheim, Bamberg, Hessen, Katterbach, Giessen, and Kitzingen, and in Livorno, Italy.

Training for the Army's Bowling Center Management Certification Program remained in demand, as eight managers became certified at Level I and started work on Level II. The two-level program has stringent requirements in education, performance and length of service. Membership in the Bowling Proprietors' Association of America—the professional association for center managers—was renewed for another year. Membership provides the opportunity for Army bowling managers to promote goodwill within the community while interacting with civilian proprietors. With the decline in lineage, managers are looking to alternative revenue sources such as birthday parties, special events, alternative leagues, and local tournaments to offset the effects of force protection and troop deployments.

Business Programs



Drill Sergeant Russell Cook of Fort Sill, Okla., poses on the Road King Harley-Davidson motorcycle he won in "The Legendary Summer" promotion.
- Photo by Monica Wood



The MWR Business Program Manager's 15-month planning calendar.

Events

The Event Division provided a variety of promotional opportunities to support installation business programs. These promotions offered MWR patrons added incentives for using bowling, golf, and food and beverage programs and helped to generate excitement in MWR facilities.

From June through August 2003, 237 MWR facilities participated in a "Legendary Summer" promotion created as a spin-off from Miller Brewing Company's national promotion. Featuring a scratch card giveaway, instant-win prizes included Harley-Davidson and Miller Lite jackets, shirts, and coolers, followed by a grand prize drawing for a 100th-year anniversary Harley-Davidson motorcycle. Sgt. Russell Cook, Battery B, 1st Battalion, 79th Field Artillery, rode away as the lucky winner of the "Hog" motorcycle after his name was drawn from more than 22,000 entries.

Ninety-nine Army bowling centers participated in a two-month Mystery Bowl 2 summer bowling promotion, 1 June through 31 July, 2003. The promotion included a mystery board containing nine weekly prizes valued from \$25 to \$100. Patrons could enter the drawing each time they came into the facility. A name was drawn from the entries each week, giving the weekly winner an opportunity to "scratch off" one of the mystery prizes. Of managers who submitted an after action report, over half reported an increase in lineage and/or revenues—despite troop deployments and families who left the installations for the summer.

To remind Soldiers to drink responsibly during the holidays, Army and Marine Corps MWR programs and AAFES partnered with corporate sponsor Anheuser-Busch to offer snack bars and other food and beverage operations a Designated Driver Sweepstakes promotion. Designed to get patrons to drink responsibly and appoint a designated driver during the holiday season, the promotion provided patrons an opportunity to win cash prizes via a sweepstakes entry. Thirty-seven Army MWR facilities participated in the promotion, with Army MWR participants winning all 165 cash prizes totaling \$9,125.

A project deemed of tremendous value to installations' business managers was the publication of the second version of the popular 15-month planning calendar. The calendar is customized for MWR business programs and included a plethora of information and useful tips for managers such as: highlights of national events and celebrations, special event ideas, promotional tips, upcoming industry conferences, and good ideas. The calendar also included helpful hints and internal control reminders. This year, the Business Managers' Planning Calendar was reprinted and shared with recreation professionals.

To boost declining league revenues in Army bowling centers and introduce new bowlers to the league format, the events team offered center managers an opportunity to participate in a popular Leading Edge Bowling Club promotion. Sixty centers participated in the Spider Man/Hulk promotion and were shipped a promotional package that included a custom Viz-a-ball and point-of-sale materials. Managers had three 17-week opportunities to organize a "club" and generate revenue from bowlers who paid a premium to bowl 17 times and receive their own Viz-a-ball.

In FY03, the golf program focused effort on increasing driving range revenue. Forty-nine installations participated in a nine week promotion, the "Lucky Bucket Sweepstakes," where unique colored balls were dropped in range ball machines each week to give patrons an opportunity to win instant prizes. With every purchase at the driving range, patrons also received an entry form for an "Enter to Win" Sweepstakes opportunity. Maj. (Retired) Gary Kubat from Columbus, Ohio, won one trip package to Desert Breezes, Palm Desert, Calif., and Sgt. Donnie McNeal of Killeen, Texas, won a trip to Hilton Head, S.C., that included golf rounds and a tennis lesson. The driving range revenue for this two-month promotion exceeded last year's performance for the same time frame by over \$86K NIBD.

The Third Annual Salute to Army Golf Champions event has recognized over three hundred Army golf champions worldwide since the promotion's inception. This initiative provided the Army and installation managers a mechanism to acknowledge the local champions and award each winner a keepsake poster which lists all the installation winners. Additionally, this year's champions received a golf pro-shop gift certificate and a customized golf clock.

Business and recreation proponents joined corporate partners in developing an "Operation Vacation" promotion targeted at deployed Soldiers. Running from August through September 2003, the contest provided Soldiers an opportunity to share through humor "why they need some R&R" in three categories of entries: short essay, photo, and cartoon. Top winners in each category were Pfc. Robert Johnson (National Guard), with his essay "A Tortured Existence" about being a gate guard; Photo Winner: Chief Warrant Officer Gordon Cimoli's photo "Crew Caught in Sandstorm" showing a crew lost only a short distance from their tent; and SPC Alyssa Peterson's cartoon, "Why R & R" which depicts why humor is better than psychotherapy. Winners in each category received vacation/cash packages to Walt Disney World®, Sea Ammon's Mist Resort in Myrtle Beach, S.C., and a Trading Places trip via www.govarm.com.



A Soldier uses the 24-hour drop-off point at the Fort Jackson, S.C., recycling center.
- Photo courtesy of Fort Jackson DCA

Joint Services Prime Vendor Program

The Joint Services Prime Vendor Program began in 1991 as an initiative to combine the purchasing power of the Army, Navy, Marine Corps, Coast Guard, and Navy Exchange food activities. The program currently sends products throughout the continental U.S. and 14 overseas countries supporting over 800 food activities.

Current food activity participants include officer and noncommissioned officer clubs, enlisted clubs, community clubs, bowling and golf snack bars, military school systems, child care, military hotels, recreation centers, sports activities, Senate restaurants, Pentagon private dining rooms, and OCONUS NAF warehouses in Europe and the Far East. The participant list continues to grow as more Coast Guard activities and Navy Lodges join.

The contracts save in two major ways: by establishing a set markup above supplier's costs and by obtaining rebates and discounts from manufacturers. The combined purchasing power of participants totaled \$102M in FY03, an increase of 12 percent from FY02. Manufacturer rebates increased 21 percent in FY03 to more than \$1M in rebates mailed to participants. Contract savings increased to \$1.4M (12 percent increase from FY02) while off-invoice discounts reached \$449K (an increase of 25 percent from FY02). Total FY03 savings reached \$14.7M, to include \$55K in audit credit memos received from distributors.

Recycling

After 20 years of direct MWR involvement in installation Qualified Recycling Programs, the business of recycling has changed substantially. Most of the "easy to get" material has been collected, sorted, sold, and recycled. With the day-to-day functions left, greater emphasis is required on simplifying operations to reduce expenses and to expand into other items where profitable.

Almost all MWR operated QRPs continue to report a positive bottom line. In FY03, overall revenue was \$5.9M with a \$1.2M NIBD, a slight increase from FY02. Because of the maturity of QRPs, annual results reflect the variations in marketability of products, the daily pricing of recyclable items, and the timing of transfers by the garrison commander of funds from the installation recycling suspense account to the recycling program.

As expected, more and more items are being recycled in the private sector, which reduces prices paid for recycled goods. However, parity should be reached as demand for recycled content items increases, and, except for spot overages and shortages, prices should stabilize. For example, if steel demand increased substantially amid an insufficient world supply, prices for steel will rise, as will prices for recyclable material containing steel. This cycle has been seen for both cardboard and aluminum.

The federal government's expanding list of products that require recycled content materials should increase demand for Army products, at least in the short term, and allow the removal of more items from the solid waste stream. Installations should ensure close coordination with DPW, Environment, and other offices to satisfy all requirements (i.e., the DoD Pollution Prevention Measure of Merits program requires systematic reporting of recyclable and solid waste disposal quantities).

Installations with approved QRPs may keep the net proceeds of recycling sales (after expenses) for use by commanders for pollution abatement, energy conservation, and occupational safety and health projects. Up to 50 percent of the net balance may be used in these areas, and the balance (at least 50 percent and up to 100 percent if the commander does not fund the first group) may be turned over to MWR. A balance in the suspense account in excess of \$2M at the end of a fiscal year must be returned to the U.S. Treasury. Prudent commanders will ensure that funds are distributed from the suspense account in a timely manner, and that items recycled through the QRP have a positive or a breakeven return. To maximize installation recycling while not acting as a detriment to the QRP, items that do not qualify for the QRP should be recycled by other means and other offices to ensure credit is received to meet the Measure of Merits goals.

Business Programs



A family suite at the Fort Eustis Transportation Inn shows a standard room layout under the Army Lodging Wellness Program.
- Photo by Debbie Martin, USACFSC



The 90-room new build project at Fort Wainwright, Alaska.
- Artist Rendering

Army Lodging

Army Lodging Program efforts to identify and implement sound business initiatives to provide financial and operational benefits for lodging activities continue to minimize government travel expenses while maintaining a customer focus. Operations at 99 locations with more than 4,000 employees met the lodging needs of guests while generating 5.6M room nights in FY03. With 21,240 guest rooms, a 76.3 percent occupancy rate generated in excess of \$200M in revenues to support operating expenses, local capital purchases and minor construction, and the Army Lodging Wellness Program. Winners of the 2003 Army Lodging Awards are at Figure 5-8.

Using lessons learned from ongoing construction of the 366-room new build project at Fort Eustis, Va., and a 90-room new build project at Fort Wainwright, Alaska, work commenced on FY03/04 Wellness Program projects approved for funding by the Capital Investment Review Board. Design charettes were conducted for new construction of 45 rooms at Fort Hamilton, N.Y.; 50 rooms at Camp Carroll, Korea; 185 rooms at Fort Lewis, Wash.; and a nine-room addition at Hohenfels, Germany. Both the Fort Lewis and Hohenfels solutions include renovation of selected existing facilities in addition to new construction. Wellness Program plans for FY04 and FY05 include new lodging construction/renovation at Dugway Proving Ground, Utah; Selfridge Air National Guard Base, Mich.; Fort Jackson, S.C.; Fort Knox, Ky.; Mons, Belgium; and maintenance and repair projects at twelve CONUS and OCONUS locations.

Tasked by a May 2002 process action team to identify capitalization requirements at all Army locations, the USACFSC commenced demand and facility assessments at 35 locations in FY03. This effort supports internal funding plans consistent with a "worst first" strategy. These assessments also support the Business Initiatives Council's Privatization of Army Lodging action that seeks to accelerate upgrades to the Army's lodging inventory through transfer of the function in CONUS to the private sector.

Product standardization and consolidated purchasing initiatives continued to provide consistent products and financial benefits through centralized contracts and consolidated buys. During the International Hotel/Motel and Restaurant Show, the fourth annual Army Lodging consolidated buy resulted in total savings of \$185K over and above already discounted government contract prices on \$2M in purchases for lodging activities. Central contracts for standard hotel linen, amenities, registration supplies,

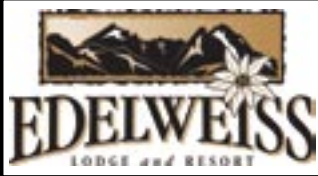
and other consumable items resulted in savings of \$249K. The partnership between Army Lodging, AAFES, and Sprint telecommunications brought hospitality communications systems to 21 lodging sites, to include high-speed internet connectivity and pay-per-view options at some locations. Army Lodging will expand future savings through the use of a single, central contracting office at the USACFSC. This consolidation will support all Army Lodging purchasing requirements, will save the program an estimated \$200K annually in overhead support, and will position the program for future expansion of standard products and consolidated buy initiatives.

In an ongoing commitment to save travelers' and taxpayers' dollars, the partnership between the Lodging Success Program and 25 commercial hotels resulted in 182,000 discounted room nights in FY03. Army travel accounts saved \$4.1M by benefitting from reduced room rates that averaged 20 percent below the area per diem. The Army Central Reservation Center at Redstone Arsenal, Ala., processes 100 percent of Lodging Success Program reservations and is supported by a program surcharge that allows for a breakeven operation. The Lodging Success Program is currently in place in the National Capital Region; Petersburg, Norfolk, and Fort Eustis, Va.; Atlanta, Ga.; Miami, Fla.; San Antonio, Texas; and Fort Buchanan, Puerto Rico. Program expansion to additional locations is scheduled for FY04.

2003 Lodging Awards	
Operations of the Year	
Small Category	Camp Carroll, Korea Manager: Carl Ragonese
Medium Category	Grafenwoehr, Germany Manager: Norma Grice-Koller
Large Category	Vicenza, Italy Manager: Dave Sherrick
Super Category	Fort Belvoir, Va. Manager: Janice Pigue
Manager of the Year	
Mary Hoeft	Fort McCoy, Wis.
Supervisor of the Year	
Marie O'Donnell	Fort Leavenworth, Kan.
Employee of the Year	
Eddie Shannon	Fort Hood, Texas

Figure 5-8

Hospitality Support



Construction of the new Edelweiss Lodge and Resort in Garmisch, Germany.
- Photo by USACFSC



Armed Forces Recreation Centers provide quality, wholesome, affordable, family-oriented vacation, recreation opportunities and support to authorized patrons. AFRC locations are:

- Hale Koa Hotel® in Honolulu, Hawaii
- Shades of Green® on WALT DISNEY WORLD® Resort® in Orlando, Florida
- Dragon Hill Lodge® in Seoul, Korea
- Edelweiss Lodge and Resort in Garmisch, Germany

Armed Forces Recreation Centers

In FY03, AFRCs generated total revenues of \$106.3M and NIBD of \$16.2M, a decrease from revenue of \$110.1M and NIBD of \$19.2M in FY02. This decrease is attributable to troop deployments in support of OIF/OEF, a weakened dollar exchange rate to the Euro and Won, closure of the Shades of Green® on WALT DISNEY WORLD® Resort® for expansion construction, and closure of Chiemsee and reduced operations in Garmisch at AFRC-Europe. Collectively, occupancy was 91.5 percent of available room-nights from 1,769 guestrooms.

The Shades of Green® on WALT DISNEY WORLD® Resort® expansion continued in full swing through FY03, with a re-opening date of 1 March 2004. Costing \$98.5M, the expansion doubles the size of the hotel from 287 rooms to 586 rooms and enhances guest dining and entertainment. Originally scheduled for completion in December 2003, re-opening was moved to March 2004 based on design delays.

AFRC-Europe formally ceased operations of the Lake and Park hotels on 2 September 2003. Earlier in the year, the Patton hotel had remained open but the Von Steuben hotel closed to stem revenue losses due to troop deployments. By the end of FY03, plans were to develop a USAREUR R&R program to be operated out of the Von Steuben exclusively for military personnel on R&R leave from OIF/OEF. Meanwhile, construction continued at the 330-room Edelweiss Lodge and Resort. This \$68.6M project, scheduled to open in the fall of FY04, replaces antiquated, maintenance intensive, geographically-dispersed facilities with one state-of-the-art hotel and conference center.

The Dragon Hill Lodge® continued to lead AFRCs by generating \$15.24M in NIBD on revenues of \$36M. The Hale Koa Hotel® generated \$6.4M in NIBD on revenues of \$55.9M. The Dragon Hill Lodge® had the lowest operating expenses of the AFRCs (38.8 percent) and generated food NIBD of \$642.1K. Dragon Hill Lodge® continued to do more with less—as labor hours decreased, revenue increased. Small CPMC projects throughout the year maintained the physical plant at the Dragon Hill Lodge®.

The Hale Koa Hotel®, on Waikiki Beach, had the highest room occupancy of the AFRCs (96.8 percent) and is the most popular AFRC destination. A number of CPMC projects were completed to repair building systems and renovate the Maile tower.

A new Property Management System deployed in FY03 after passing stringent system security certification. This front-of-the-house/back-of-the-house system integrates all hotel operating systems and includes finance, sales, and catering modules in addition to a web booking capability for making reservations.

Army Recreation Machine Program

Combined ARMP FY03 revenues reached \$116.5M, returning \$92.8M to the AMWRF, Regions, other supported services, and participating facilities in a distribution of net income and direct reimbursements.

The ARMP is in the second operational phase of transition from coin to cashless gaming with 17 additional locations added to the existing 14 locations. These 31 locations account for 64 percent of total slot revenue and 38 percent of the machine fleet. The new cashless technology uses computer chip smart cards as a medium for wagering and wins, integrated with automated cash machines for cashouts. This technology promotes program efficiency, flexibility, and profitability for future program operations and reduces high labor costs associated with coin handling for both the ARMP and host MWR facilities. ARMP continues to see positive results in locations converted to cashless gaming systems. Average revenues in these locations increased by \$793K per month, or 16.1 percent.

Slot revenue continued to grow in Japan, with revenues up 7.6 percent to \$17.3M. Slot revenue in Europe declined slightly by 0.9 percent to \$27.7M, and declined in Korea by 14.9 percent to \$62.0M. Declining revenues in Korea are directly attributable to increased gate access control measures implemented within the command.

Amusement machine operations continue to expand in support of MWR at Fort Polk, Scott Air Force Base, and Fort Carson. Army partnerships with AAFES also expanded onto McConnell Air Force Base and Fort Carson.

The ARMP continues to focus on achieving operating efficiencies while maximizing revenues. In cashless locations, the ARMP and host facilities have both realized decreased labor costs due to the elimination of significant coin handling responsibilities. The ARMP will add an additional 31 cashless locations in FY04, further leveraging new industry technology and furthering efficiency gains for MWR. In amusement operations, ARMP results continue to mirror industry trends. The program continues to close unprofitable locations, streamline operations, and reduce operating expenses in order to more profitably support Army MWR.

Strategic Communications



Marketing

Communications initiatives continue to focus on building a cohesive MWR brand identity strategy. This year's efforts focused on completing the development of a far-reaching strategic communications plan and comprehensive easy-to-use tools for plan implementation at all Army levels.

Intended to pull together under one umbrella image the wide variety of MWR program and service categories, the plan strives to speak to all audiences—Soldiers, family members, retirees, civilians, Congress, and the American public alike. A detailed pilot program was executed in the field in early FY03 to test tools, messages, and communications channels with the objective of building a clear, consistent MWR identity. Experience gained from the pilot sites was incorporated into the final version of the strategic communications plan, released in July in an interactive format. FY04 will be marked by the initial stages of implementing the plan through engaging MWR employees with the excitement of the MWR brand.

ArmyMWR.com serves as the portal for all programs and services. Finger-tip access to MWR news features, travel, event, and recreation information define this customer-focused information center. For the MWR workforce, ArmyMWR.org provides resources for management, including policy guidance, planning, and promotion. As the main promoter of the MWR brand, the website demonstrates a consistent image and message for our employees, customers, and the public at large.

The CFSC Knowledge Centers on ArmyMWR.info host self-directed information communities on the fly, customized for the directorates they serve. These knowledge pods keep constituents up-to-date with documents, bulletin boards, and electronic magazines for the whole MWR community. *Star Notes* (the Command newsletter) and *For All of Your Life* (a casual brand newsletter) regularly inform opt-in subscribers of current events in Army MWR. ArmyMWR.com is supplemented by commercial advertising.

The 2003 Army-wide Leisure Needs Survey was postponed due to a high level of installation deployments, but conduct of the next survey is planned for 2004/2005. The LNS focuses on leisure activity participation, perceived quality of MWR programs and facilities, and program and facility user profiles. LNS data feeds into the 5-year program planning process and the ISR Services, eliminating the need to conduct additional local level surveys to measure customer satisfaction. Respondents to the next

LNS will have an option to submit their surveys electronically via the internet. Results will be available in an interactive on-line database with past LNS results from 1996, 1998, and 2000.

Marketing information is consistently delivered directly to MWR program managers in the Army and the other services via a monthly e-mail publication, TIDBITS, that includes research on families; child and youth; food, beverage and entertainment; leisure, hobbies, and skill development; internet/computers; sports and fitness; and travel/tourism.

Corporate Sponsorship and Advertising

Army sponsorship and advertising has two primary missions: generate revenue for MWR programs and events and assist field operations through training and national partnerships.

The Army maintained its focus on sponsorship and advertising agreements that directly benefit the field. In addition to expanding a current franchise advertising agreement in FY03, the USACFSC negotiated several new franchise advertising and sponsorship initiatives. Franchise agreements are negotiated directly with a national client, with participating installations implementing the programs and receiving a percentage of the sponsorship and advertising fee. This revenue directly benefits local installation MWR programs and events. In FY03, the Army sponsorship and advertising program continued to lead the military with total sales revenue of \$8.9M in cash and in-kind revenue (\$4.9M in cash and \$4.0M in products and services).

The Army explored new partnership opportunities while also maintaining relationships with current corporate clients in FY03. Existing sponsorship agreements were renewed for many MWR programs and events, such as the Army Concert Tour, the U.S. Army Soldier Show, sports and fitness programs, and special events. Many installations also negotiated sponsorship agreements in conjunction with a variety of local programs and events, such as homecomings, family festivals, July 4th events, Oktoberfests, concerts, and sporting tournaments. Army MWR sponsorship professionals continued to pursue partnerships that resulted in program or event enhancement through obtaining cash and cost-avoidance items from companies.

The USACFSC is currently planning the 2004 Garrison Commander and MWR conference where sponsorship and advertising training will also be conducted.

Public Affairs

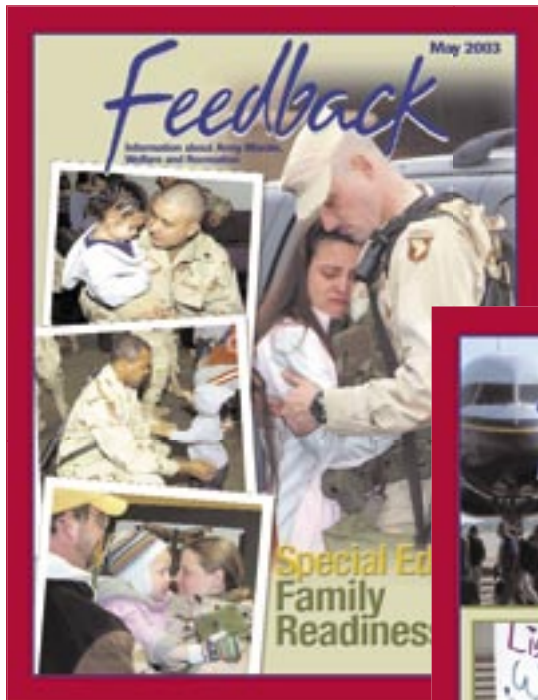
Harriet Rice, CFSC's first Public Affairs Officer, retired Aug. 1. Ms. Rice started *Feedback* magazine as a bimonthly newsletter in 1991, stood up the Public Affairs Office from scratch in 1995 and guided it to many accomplishments, including numerous awards from both government and civilian organizations.

Feature stories and photos in the *Army Times/Military Times*, *Stars & Stripes*, *Soldiers* magazine, and installation newspapers written or coordinated by the Public Affairs Office continued to tell the Army MWR story across the globe.

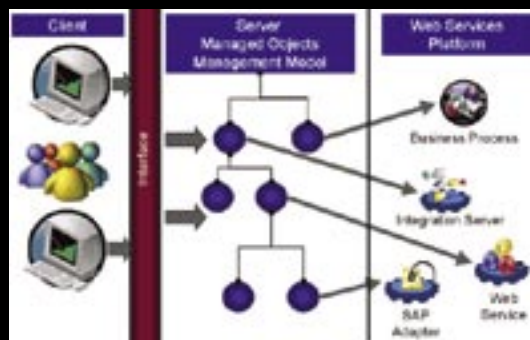
Feedback, Army MWR's bimonthly corporate communication magazine, underwent a complete redesign in 2003, including incorporating color throughout, and garnered multiple Department of the Army Public Affairs kudos for content and design. In FY03, four 28-page issues and two 24-page issues were published—45,800 copies in all—at a cost of \$1.26 per copy. The May 2003 *Feedback* was a special deployment/family readiness edition.

The USACFSC Public Affairs Office generated 88 press releases in FY03. A five-minute orientation video, "MWR is for All of Your Life," was updated to include a Spanish-language version and was distributed to installation marketing staffs. Forty video news releases were produced for Soldiers' Radio and Television including a promotional video for the U.S. Army Soldier Show. These video releases were included in a biweekly 30-minute SRTV news magazine, "Army Newswatch"—distributed to more than 800 civilian cable stations nationwide and reaching 75,000,000 households.

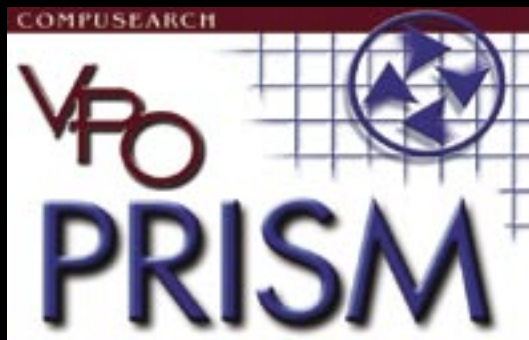
Broadcast products also included 30 radio stories and 12 "MWR Break" programs. In addition to airing on Armed Forces Network and Soldiers' Satellite Radio Network, other products aired worldwide around the clock on the SRTV website at www.Soldiersradio.com.



Information Management



NAF Contracting



FY03 was a significant year for the implementation and fielding of the MWR Management Information System. Specific accomplishments included:

Time Labor Management System:

Efforts focused on the implementation of a new TLMS release that sets the stage for database consolidation.

Financial Management and Budget System:

FMBS version 2.0 efforts focused on implementing changes to the database distribution in support of the Army Transformation of Installation Management. Databases were reorganized according to new regional alignments, and new databases were added for the DLA Post Restaurant Fund and Civilian Welfare Fund. Work continued on the upgrade to a Windows 2000 server.

Recreational Tracking System:

Rectrac! version V2 fielding efforts focused on getting all installations to release 9.4. Development of standards for financial reporting continued. Implementation of the ISR Services utilization reporting requirements continued. Testing began on a Customer Web Registration Module. Application Administrator training was implemented and 200 personnel were trained. More than 1400 Rectrac! users were trained in FY03.

Golf Tracking System:

Golftrac! version V2 fielding continued, with 33 installations completed in FY03. Golftrac! is now a module of Rectrac! and implemented as a combined database.

Child and Youth Management System:

CYMS efforts focused on adding new reports to expedite the annual reporting process. Additionally, a focused user training effort was completed in FY03, and planning began for an interface with a customer web registration module. The Family Child Care Web module was implemented at three installations.

Standard Management Information Reports for Finance:

SMIRF was enhanced to represent the regional alignment of installations. Effective in 1st quarter of FY03, SMIRF now allows user-defined views of financial data in both graphical and spreadsheet formats.

Standard NAF Automated Contracting System:

SNACS was operational at all five sites in FY03, with additional modules added for OCONUS multiple currency use and new security groupings. A consolidated database in CONUS was also completed.

The Configuration Control Board continued the reengineering effort on their function to work toward satisfying enterprise architecture requirements in the Clinger-Cohen Act, the Paperwork Reduction Act, and the Government Paperwork Elimination Act. Development of an enterprise architecture continued with the implementation of a web-based repository of data. Several "to be" architectures were also begun in order to support mandated systems.

The IT Strategic Plan was reviewed and approved by the Enterprise Architecture Configuration Control Board and the MWR Working Group.

The goal of NAF contracting is to provide responsive and cost effective procurement support that maximizes acquisition efficiencies. The USACFSC NAF Contracting Directorate, in partnership with IMA Regional Contracting Offices, continued to support DoD and Army MWR and Army Lodging programs in FY03. Key initiatives for the year included improved flexibility in the NAF automated procurement system, the successful use of consolidated contracts, and many contracts for renovation, major, or minor construction projects at installations.

The web-based Standard NAF Automated Contracting System continues to improve functionality and performance for users: standing operating procedures and user security groups were established to ensure adequate internal management controls are maintained; Crystal Web Enterprise software was installed to improve reporting capabilities; and NAF product and service codes were developed and implemented to assist in forecasting requirements. These SNACS innovations provide users the ability to mine the database for management information that will foster strategic contracting processes. Worldwide refresher training also continues.

In FY03, more than 4,300 worldwide NAF purchase card program participants purchased \$109M in goods and services, yielding \$766K in NAF rebates back to the Army. Program improvements to maximize rebates and reduce losses included the implementation of a customer automated reporting environment, an electronic data interchange, increased internal management controls, refresher training, and enhanced program oversight. The goal for FY04 is to obtain 98 percent of all rebate dollars.

Twelve Army installation construction projects valued at \$15.4M were completed and placed under warranty, while ten contracts valued at \$31.6M were awarded for new construction or renovation projects. A \$5M requirements contract was awarded to assess facility usage of Army lodges. Twelve other construction contracts valued at \$30M were awarded for Navy, Marine, and NEXCOM projects. Seven public-private venture contracts were administered, including the Inn at Schofield Barracks and the Hotel Thayer, while development began on nine new projects.

Notes

Contract support to IMA regions and installations realized significant Army savings in FY03. Orders totaling \$4.2M for fitness equipment supported Eighth U.S. Army, the Pentagon Athletic Center, and Soldiers deployed to OIF. A contract with DirecTV provided free satellite transmission of "2003 NFL Sunday Ticket" to MWR activities at a cost avoidance of \$600K. Nineteen Joint Services Prime Vendor contracts at 850 locations generated \$102M in purchases and \$1.5M in rebates to participating installations. The USACFSC NAF Contracting and Business programs also assisted IMA Europe in opening a TGIF café in Heidelberg, Germany; based on the success of this brand name casual dining initiative, efforts are underway to undertake similar projects in Europe and Korea.

The Army Lodging Success Program continues to expand and now includes contracts to support DoD travelers and military training student services. Consolidated purchases made during the Army lodging annual "show-buy" program yielded \$185K in FY03 savings. With the sustained growth of Army Lodging programs in mind, the IMA headquarters moved to implement centralized contracting support for Army lodging initiatives at the USACFSC in order to reduce overhead and take advantage of centralized buying.

Other NAF contracting initiatives in FY03 included:

- Rollout of the AFRC property management system to the Hale Koa Hotel® and AFRC-Europe, with Shades of Green® on WALT DISNEY WORLD® Resort scheduled for FY04.
- Awarded more than \$12M in contracts in support of information technology (\$1.97M for Stars and Stripes).
- Continued support of the Aetna U.S. Healthcare contract for DoD NAFIs worldwide.
- Awarded contracts valued at more than \$2M in support of the Global War on Terrorism.

Dollar figures used in the text and charts are rounded to the nearest \$100 thousand. Throughout this report, "\$M" designates millions, and "\$K" designates thousands.

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